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from 13 to 17 January 1975

European Centre, Luxembourg

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IN THE CHAIR: MR BERHOUWER

(The sitting was opened at 3.50 p.m.)

President. — The sitting is open.

1. Resumption of the session

President. — I declare resumed the session of the European Parliament adjourned on 13 December 1974.

I call Mr Broeks for a procedural motion.

Mr Broeks. — (NL) Mr President, we had expected the sitting to begin at half past three and it is now almost five minutes to four. If the Bureau finds that its meeting is lasting a long time could it not allow one of the Vice-Presidents to open the sitting, provided that the first item on the agenda is not an extremely important political matter?

President. — I am very sorry that we were delayed when making the arrangements for speaking times for the particularly important reports by Mr Patijn and Mr De Koning; this took longer than envisaged. You are aware that I always do everything in my power to start on time. This was really an exception and I want to ensure that it remains an exception. I had already considered what you suggest, but then most of the group chairmen would have left the Bureau meeting and that was the reason I did not do so.

I call Mr Spénale.

Mr Spénale. — (F) Mr President, I just wanted to say that in a sense I agree with Mr Broeks in principle, but on the other hand, as chairman of a political group, I feel that I share the responsibility for the delay caused by the Bureau meeting.

President. — I call Mr Gerlach for a procedural motion.

Mr Gerlach. — (D) Mr President, I have already twice asked representatives of the Administration to take steps to reduce the volume of that shrieking signal now being sounded in this building, since I feel that it exceeds the maximum admissible noise level. In addition, somebody here seems to set great store by allowing it to continue for a terribly long time. I would therefore request that it at last be switched off, particularly as I have asked the Administration to do so before.

President. — Mr Gerlach, I shall make enquiries to see whether the warning signal cannot be given at a lower decibel level.

2. Address by the President

President. — Members of the European Parliament, I would first of all like to make the following statement: I am not one of those who believe that the beginning and end of a calendar year ought to be accompanied by long speeches merely stating what has happened or what is to happen. Nevertheless, at this, the first plenary sitting of the European Parliament in 1975, I wish to say that in my opinion this will be the second year of a difficult period of adaptation and change for our European Community.

The changed situation in the energy sector has not helped us in taking appropriate measures to overcome the inflation which has been already in existence for some time. In addition, for some months unemployment in the various Member States has begun to assume alarming proportions. The classical economists have long thought that the fight against inflation and the fight against unemployment were two conflicting processes which could not therefore go hand-in-hand. For that reason in the coming year we will have to use our ingenuity to devise new methods of protecting our European parliamentary democracy and its achievements.

The Conference of Heads of State or of Government which took place in December in Paris represented the first steps in the solution of a number of problems. As a result, the end of the year was better for the Community than the beginning.

Moreover, the Conference of Heads of State or of Government, which in future will take place within the framework of the Council of Ministers, also produced some results in regard to the Community institutions. The decision-making machinery of the European Communities is to be strengthened. The Council will endeavour to improve its decision-making function, on the one hand by a greater delegation of duties and on the other by taking majority decisions.

For the Parliament, the dialogue with the Council can be more fruitful than it has been in the past. From now on we will be able to question the Council on political cooperation. Last week I had a preliminary discussion about this in Dublin with the President-in-Office of the Council. The draft convention on direct elections to the European Parliament to be debated tomorrow is in principle to come into effect in

President

1978. Next Friday I shall be having a preliminary discussion with the rapporteur for European Union appointed by the Summit Conference, the Belgian Prime-Minister Mr Tindemans, on the ways in which we can best co-ordinate our activities.

The last sentence of paragraph 12 of the communiqué from the Paris Summit Conference acknowledges that our European Parliament has a role to play in the Communities' legislative programme. I hope that we can begin a dialogue on this as quickly as possible with the other European institutions.

Ladies and gentlemen, Members of the European Parliament, I wish you strength in the coming year for all the tasks we are called upon to fulfil.

3. Designation of Members of the European Parliament

President. — By letter of 28 December 1974 the Senate of the French Republic informed me that Mr F. Duval and Mr E. Didier had been designated as representatives to the European Parliament to replace Mr Bousch and Mr Berthoin.

The Luxembourg Chamber of Deputies has also designated Mr C. Ney and Mr J. Santer with effect from 18 December 1974 to replace Mr Glesener and Mr Lucius.

Pending verification of their credentials, these new representatives will take their seats with the same rights as other Members.

I heartily welcome the new Members to our midst.

(Applause)

4. Apologies

President. — Apologies for absence have been received from Mr Amendola, Mr Burgbacher and Mr Kater who regret their inability to attend the next sittings.

5. Appointment of the President of the Commission

President. — The representatives of the governments of the Member States have notified me that on 19 December 1974 Mr Ortoli was appointed President of the Commission of the European Communities for the period from 6 January 1975 to 5 January 1977 inclusive.

6. Texts of treaties forwarded by the Council

President. — I have received from the Council of the European Communities certified true copies of the following documents:

- Agreement between the European Economic Community and the Republic of Afghanistan on the supply of butteroil as food aid;
- Agreement in the form of an exchange of letters extending the trade agreement between the European Economic Community and the Argentine Republic;
- Agreement between the European Economic Community and the Republic of Peru on the supply of butteroil as food aid;
- Agreement between the European Economic Community and the Republic of Peru on the supply of common wheat as food aid;
- Agreement between the European Economic Community and the Republic of the Philippines on the supply of flour of common wheat as food aid;
- Agreement between the European Economic Community and the Yemen Arab Republic on the supply of common wheat as food aid;
- Agreement between the European Economic Community and the office of the United Nations High Commissioner for refugees on the supply of butteroil, skimmed-milk powder, flour of common wheat and rice as emergency food aid for the populations affected by the recent events in Cyprus.

These treaties will be placed in the archives of the European Parliament.

7. Documents submitted

President. — Since the session was adjourned I have received the following documents:

(a) from the Council of the European Communities, requests for an opinion on:

- the proposal from the Commission of the European Communities to the Council for a regulation concerning support to common projects for hydrocarbon exploration (Doc. 415/74);

This document has been referred to the Committee on Energy, Research and Technology as the committee responsible and to the Committee on Budgets for an opinion;

- the proposal from the Commission of the European Communities to the Council

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for a regulation amending Council Regulation (EEC) No 907/73 of 3 April 1973 establishing a European Monetary Cooperation Fund (Doc. 428/74);

This document has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Budgets for an opinion;

- the Communication from the Commission of the European Communities to the Council: Development Aid—'Fresco' of Community action tomorrow—(Doc. 430/74);

This document has been referred to the Committee on Development and Cooperation;

- the proposals from the Commission of the European Communities to the Council for

- a regulation extending the treatment applicable to certain agricultural products originating in the Associated African States, Madagascar and Mauritius, in the Overseas Countries and Territories and in the United Republic of Tanzania, the Republic of Uganda and the Republic of Kenya

- a draft decision on the transitional measures to be applied after 31 January 1975 to the Associated Overseas Countries and Territories

- a draft decision maintaining the provisions of Title III, Chapter II, and of Title IV of Part IV of the Act concerning the conditions of accession and the adjustments to the Treaties

(Doc. 433/74).

This document has been referred to the Committee on Development and Cooperation;

- the proposal from the Commission of the European Communities to the Council for a directive on the coordination of laws, regulations and administrative provisions governing the commencement and carrying on of the business of credit institutions (Doc. 435/74);

This document has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Legal Affairs Committee and the Committee on Budgets for their opinions;

- the proposals from the Commission of the European Communities to the Council for

- I. a directive completing the provisions under Title V of the Directive on mountain and hill farming and farming in certain less favoured areas adopted by the Council on 21 January 1974

- II. eight directives concerning the Community list of less favoured farming areas within the meaning of the Directive on mountain and hill farming and farming in certain less favoured areas adopted by the Council on 21 January 1974

(Doc. 438/74).

This document has been referred to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for an opinion;

- (b) from the European Communities a letter on the draft joint declaration by the European Parliament, the Council and the Commission on the establishment of a concertation procedure (Doc. 431/74).

This document has been referred to the Committee on Budgets as the committee responsible and to the Political Affairs Committee for an opinion;

- (c) the following oral questions:

- oral question with debate, put by the Committee on Public Health and the Environment to the Council, on the working procedures of the Committees on Implementing Provisions (Doc. 417/74);

- oral question with debate, put by Mr Seefeld on behalf of the Committee on Regional Policy and Transport to the Council, on the code of conduct for maritime transport conferences (Doc. 418/74);

- oral question with debate, put by Mr Della Briotta, Mr Walkhoff, Mr Concas, Mr Bermani, Mr Corona and Mr Glinne to the Commission, on the participation by migrant workers in the Community in regional or local elections in the countries of residence (Doc. 419/74);

- oral question with debate, put by Mrs Carettoni Romagnoli, Mrs Goutmann and Mrs Iotti on behalf of the Communist and Allies Group to the Council, on the status of women (Doc. 420/74);

President

- oral question with debate, put by Mr Glinne, Mr Spénale, Mr Broeks, Mr Dondelinger, Mr Flämig and Mr Seefeld on behalf of the Socialist Group to the Commission, on the Community's attitude to South Africa (Doc. 421/74);
 - oral question with debate, put by Mr Glinne, Mr Spénale, Mr Broeks, Mr Dondelinger, Mr Flämig and Mr Seefeld on behalf of the Socialist Group to the Council, on the Community's attitude to South Africa (Doc. 422/74);
 - oral question with debate, put by Mr Cipolla on behalf of the Communist and Allies Group to the Commission, on the supply of grain to Italy (Doc. 423/74);
 - oral questions put by Mr Hougardy, Sir Douglas Dodds-Parker, Mr Brewis, Mr Albertsen, Mr Johnston, Mr Cipolla, Mr Cousté, Mr Noè and Lord O'Hagan pursuant to Rule 47A of the Rules of Procedure for Question Time on 15 January 1975 (Doc. 434/74);
- (d) from the committees the following reports:
- report by Mrs Hanna Walz on behalf of the Committee on Cultural Affairs and Youth on Community regulations for home study courses (Doc. 416/74);
 - report by Mr Jean-Pierre Glesener on behalf of the Committee on Energy, Research and Technology, on the proposal from the Commission of the European Communities to the Council for a Council decision establishing a programme of technological research in the textile sector (Doc. 424/74);
 - report by Mr Egon Klepsch on behalf of the Committee on External Economic Relations on the European Community's relations with the East European state-trading countries and COMECON (Doc. 425/74);
 - report by Mr Paul de Keersmaeker on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation on the establishment of a Community register of olive cultivation (Doc. 426/74);
 - report by Mr Isidor Früh on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation laying down, in respect of hops, the amount of the aid to producers for the 1973 harvest (Doc. 427/74);
 - report by Lord Gladwyn on behalf of the Political Affairs Committee on the effects of a European foreign policy on defence questions (Doc. 429/74);
 - report by Mr John Brewis on behalf of the Legal Affairs Committee on the proposal from the Commission of the European Communities to the Council for a directive on the liberalization of co-insurance operations and the coordination of laws, regulations and administrative provisions relating to co-insurance (Doc. 432/74);
 - report by Mr Lucien Radoux on behalf of the Political Affairs Committee on the results of the Conference of Heads of Government of the Member States held in Paris on 9 and 10 December 1974 (Doc. 436/74);
 - report by Mr Jan De Koning on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for regulations on the fixing of prices for certain agricultural products and connected measures for the 1975/1976 marketing year (Doc. 437/74);
 - report by Mr Libero Della Briotta on behalf of the Committee on Agriculture on the proposals from the Commission of the European Communities to the Council for
 - I. a directive completing the provisions under Title V of the Directive on mountain and hill farming and farming in certain less favoured areas adopted by the Council on 21 January 1974
 - II. eight directives concerning the Community list of less favoured farming areas within the meaning of the Directive on mountain and hill farming in certain less favoured areas adopted by the Council on 21 January 1974
 (Doc. 439/74)
 - report by Mr Jan Baas on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 950/68 on the Common Customs Tariff as regards the exchange rate to be applied in respect of the tariff classification of certain cheeses (Doc. 440/74);

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- report by Mr Pierre Deschamps on behalf of the Committee on Development and Cooperation on the communication from the Commission of the European Communities to the Council on the transitional measures to be implemented after 31 January 1975 in the context of relations with the countries of Africa, the Caribbean and the Pacific and the Overseas Countries and Territories (Doc. 441/74).

8. Limit on speaking time

President. — In accordance with the usual practice I propose that speaking time be limited as follows for all items on the agenda, with the exception of the Patijn report on elections by direct universal suffrage and the De Koning report on agricultural prices for the 1975/76 marketing year, the debate on which will be organized in accordance with Rule 28 of the Rules of Procedure, the details of which I will notify to you later:

15 minutes for the rapporteur and for one speaker on behalf of each group;

10 minutes for other speakers;

5 minutes for speakers on amendments.

I also propose that speaking time on all questions with debate be limited to:

10 minutes for the author of the question;

5 minutes for other speakers.

Are there any objections?

That is agreed.

9. Time-limit for tabling amendments

President. — I propose that we should set the time-limit for tabling amendments on the Patijn report on elections by direct universal suffrage at 6 p.m. this afternoon.

Are there any objections?

That is agreed.

I propose that we should set the time-limit for tabling amendments on the De Koning report on agricultural prices for 1975/1976 at 6 p.m. on Wednesday 15 January 1975.

Are there any objections?

That is agreed.

10. Decision on urgent procedure

President. — I propose that Parliament deal by urgent procedure with reports not submitted within the time-limits laid down in the rules of 11 May 1967.

Are there any objections?

The adoption of urgent procedure is agreed.

11. Order of business

President. — The next item is the order of business. At its meeting of 11 December 1974 the enlarged Bureau prepared a draft agenda, which has been distributed.

The report by Mr Aigner on the report of the ECSC Auditor for 1973, the report by Mr Gerlach on the discharge to be given to the Commission for the implementation of the 1971 budget, the report by Mr Cipolla on the common organization of the market in rice and the report by Mr Liogier on the allocation of the funds of the EAGGF for 1974 have been taken off the agenda.

The statement by the Commission on action taken on the opinions and proposals of the European Parliament has been taken off the agenda.

At the meeting which has just been held it was also unanimously decided to consider Mr Della Briotta's report on mountain and hill farming on Thursday after Mr De Koning's report, followed by Mr Terrenoire's oral question with debate on oil companies.

Are there any objections?

I call Miss Flesch.

Miss Flesch. — (F) Mr President, on behalf of the Committee on Development and Cooperation, may I request you to include Mr Deschamps' report on transitional measures in connection with the new Convention of Association in the agenda for our Friday sitting. I make this request because of the urgency of the matter; as you know, the Yaoundé Convention expires on 31 January. The Council, which has forwarded the document in the last few days, has asked us to deliver our opinion at the January part-session, and we know that theoretically the Council is supposed to give a decision on the whole question this week. This is why, Mr President, although I appreciate that this change will cause difficulties, I am asking you to include this item on Friday's agenda.

President. — I call Mr Spénale.

Mr Spénale. — (F) Mr President, I wish to lend my support to Miss Flesch's proposal, because there is another consideration: Parliament must define its position before the Parliamentary Conference of the Association meets in Abidjan at the end of this month.

President. — Since the request for urgent procedure also has the support of the Council, I propose this report be placed on the agenda for Friday.

Are there any objections?

That is agreed.

I call Mr Brewis.

Mr Brewis. — Mr President, what I want to say may well come as a corollary to what has been said by our two colleagues. I refer to Item No 313, the last item on the agenda for Friday, which is a report on co-insurance. This is a very important report and we are in some slight difficulty because the rapporteur of the Committee on Economic and Monetary Affairs is in some disagreement with the report of the Legal Affairs Committee and there are bound to be various amendments. It would seem to me, Sir, that this is not a terribly suitable item to be last on the agenda on a Friday. May I ask whether you would postpone it until the February part-session?

President. — I shall consult the Assembly on the proposal to postpone consideration of this report.

Are there any objections?

That is agreed.

I call Mr Laban.

Mr Laban. — (NL) Mr President, the Committee on Agriculture is grateful to you for including the report on hill farming in the agenda.

Am I right in assuming that you propose to debate the report on agricultural prices first and then take the report on hill farming separately before Mr Terrenoire's question on the oil companies?

Then I am perfectly satisfied.

President. — Are there any objections to the amended agenda?

The agenda so amended is adopted.

12. Oral Question with debate: Steps to be taken following the resolutions adopted by the Ministers of Education.

President. — The next item is the oral question with debate by the Committee on Cultural Affairs and Youth to the Commission of the European Communities (Doc. 251/74).

The question is worded as follows:

Subject: Steps to be taken following the resolutions of the Council of Ministers of Education of 6 and 7 June 1974

Can the Commission state:

1. What steps it intends to take following the resolution of the Council, with particular regard to:
 - (a) mutual recognition of diplomas, referred to in a whole series of proposals for directives on freedom of establishment for activities as self-employed persons, having regard to the principles it put forward which the Council has now accepted; the granting of freedom of establishment for activities as self-employed persons in group practice;
 - (b) cooperation in the field of education on the basis of the priorities fixed by the Council on 6 and 7 June 1974;
 - (c) the development of European schools, taking into account the positions already adopted by the European Parliament?
2. Whether, in particular, it is contemplating exercising its right of initiative on the co-ordination of legislation on education, which is currently under review in the Community Member States?
3. Whether it does not consider it appropriate to produce without delay a memorandum containing a detailed timetable for future proposals and a genuine Community action programme for education and the mutual recognition of diplomas?
4. What contacts it has with the Council of Europe and its various bodies and in what ways it feels these could be extended?

I call Mr Broeks to present the oral question.

Mr Broeks. — (NL) Mr President, ladies and gentlemen, you will recall that the Committee on Cultural Affairs and Youth asked last year for consideration of our questions to be postponed. We felt there was a cogent reason for doing so.

Broeks

The Council of Ministers of Education had met early in June 1974 for the first time for several years. After the parliamentary recess our committee wanted to ascertain what action the Commission was taking on the Council's decisions. It had already been known for some time that the Commissioner concerned, Mr Dahrendorf, would be leaving the Commission but the German Government found it difficult to decide on a successor. When our question was due for consideration in Parliament, Mr Brunner had been appointed a member of the Commission but had not yet taken up his duties. We thought it preferable to wait until Mr Brunner could reply instead of listening at that time to the—undoubtedly interesting—testament of the outgoing Commissioner.

Now that Mr Brunner—to whom we extend a warm welcome—has been able to familiarize himself with his areas of responsibility, we should like to hear his views on the points raised in our oral question.

Your committee has decided to let three of its members introduce this subject. I shall confine my introductory remarks to the question of the recognition of diplomas, certificates etc. and the free movement of professional persons.

There is no need for me to stress how much interest Parliament has taken over the years in the recognition of diplomas and the question of free movement. So far, however, too little has been achieved. We gained the impression from Mr Dahrendorf that some progress was being made because he chose to concentrate on one profession—namely the medical profession. He organized a hearing with the doctors and put forward proposals which were considered by the Ministers of Education at their meeting last June. Shortly after the June meeting it looked as if recognition of the free movement of doctors and recognition of diplomas would soon become a reality.

Mr Dahrendorf was optimistic enough to think that would happen before the end of last year. Unfortunately he was wrong.

In the meantime the Commission has submitted a proposal to the Council on an advisory committee for the medical profession. Parliament has not been asked for its opinion on this proposal. We did not protest about this because in the debate on our previous report we put a number of questions on committees of this kind to the Commission and expressed certain wishes on the subject with which the Commission complied.

Nevertheless we are rather disappointed now because it is not clear who is to approve the

mutual recognition of diplomas and freedom of movement.

We have just learnt the names of the ministers appointed by the Irish Government to preside over the Council in the next six months. The list includes the Ministers of Agriculture, Justice and Finance, but unfortunately not the Minister of Education. Who then is to approve the proposal: the Council as normally constituted, in other words the Foreign Ministers?

I should also like to know whether recognition of the free movement of doctors can now soon be expected and whether there is any prospect of the Commission's proposal concerning an advisory committee for the medical profession being accepted? If so will that committee be able to set to work once freedom of movement for doctors has been agreed? What does the Commission intend to do once recognition of doctors' diplomas becomes a reality?

Everyone knows that the Commission has submitted some forty proposals to the Council which will have to be revised after the recent ruling of the Court of Justice in Luxembourg. Is the Commission already working on that review? How much time will it take? It seems to us that the necessary adjustments can be made quite easily. How far has the Commission progressed in compiling, jointly with the Committee of Permanent Representatives, the list of diplomas, certificates and other evidence of formal qualifications decided on at the Council meeting last June?

We hope that once freedom of movement has been attained for doctors, as it should be in the near future, Mr Dahrendorf's approach will be continued by concentrating again on one or two other professions.

Two possibilities would be the professions of veterinary surgeon and lawyer for whom free movement would not, in our view, present too many difficulties—perhaps we are wrong but that is what the Commission has told us. Consultative committees would of course then have to be set up for these professions.

We realize that there is no possibility of a detailed discussion of all these points with Mr Brunner today. We ourselves are working on a report on the European schools which will shortly be submitted to Parliament. We hope that Mr Brunner has had sufficient time to familiarize himself with his areas of responsibility and that he can now give us some information on his work programme for the next six months or a year. We are particularly interested in what he has to say, not only on the question of the European schools and education in

Broeks

general, but also on the matter of the mutual recognition of diplomas and the free movement of professional persons to which Parliament has so often referred.

Perhaps the first results can now be seen.

(Applause)

President. — I call Mr Brunner, whom we are very pleased to welcome here for the first time today.

Mr Brunner, member of the Commission of the European Communities. — (D) Mr President, the question put by the Committee on Cultural Affairs and Youth gives me my first opportunity to join your debates, and I find it very promising that this is happening on the 13th of a month.

(Laughter)

I am aware of the keen interest that you take in the work on research, science and education, and I am very much in favour of our intensifying contacts in this field.

The first question put to me concerns the freedom of establishment of self-employed persons, and I should like to say this: let us agree on one thing: there is already freedom of establishment and freedom to provide services within the Community. We must not allow these two principles to be undermined. They have been established in decisions of the European Court of Justice of June and December 1974, in which the Court said that the citizen in the Community is directly granted rights under Articles 52, 59 and 60 of the EEC Treaty. Any self-employed person in our nine states may resist any move to place obstacles in his way due to his nationality or place of residence. It is therefore not admissible for a doctor from Denmark, for example, to be told in the Federal Republic of Germany that although he meets requirements as regards training, he cannot practise in the Federal Republic because he is a Dane. That is no longer allowed today.

And from this we are now in a position to take another step forward. This is a good thing, because regulations on establishment and provision of services must at last be raised to the level at which they generally ensure freedom of movement within our Community. If we do not do this, we will be reverting not only to the situation as it was in the Middle Ages, but even further back. It should be realized by all of us that the liberal professions used to have far more freedom of movement in Europe than they have today. The famous physician Paracelsus, for example, was born in Switzerland, studied in Ferrara, practised in many countries

of Europe until he finally died in Salzburg—and that was in the sixteenth century. Are we to let it be said today that we are more backward as regards the medical professions, that we want to stay as we are?

(Applause)

I say no; we will now push ahead, and we are now in a position in which doctors and the other professions should have sufficient self-confidence. They do not need the protection of artificial barriers. There is no reason to think that there will be mass migration in the professions in Europe because we are at last removing these barriers. Nor is there any justification for saying that quality will suffer as a result of this freedom of movement. That will not be the case. And because it will not be the case, we now need Community directives to make it easier to take advantage of these freedoms. In practical terms this means that we must make progress in the question of recognition of diplomas and that we must settle the question of training conditions, i.e. we must jointly fix minimum training periods. We are not seeking legislation which is perfect to the last detail; we want to be flexible so that any citizen belonging to one of the liberal professions can take advantage of his right under the law, since generally speaking—and this was recognized by the Ministers for Education on 6 June 1974—diplomas and the like are comparable in all Member States.

As Mr Broeks has said, we have provided for the setting up of an advisory committee for the medical profession. We also intend to apply this method to the other professions. We are doing this because the unification of Europe should not come about without the benefit of the expert knowledge of the various professions. They should be involved, but they should fulfil their task as Europeans and not in their own limited interests.

The Commission's task is to draw the logical conclusions from the two decisions of the Court of Justice. The Commission submitted proposals for the directives on the mutual recognition of diplomas and the coordination of legislation to the Council some time ago and, where doctors are concerned, revised these proposals accordingly; it will adopt the same course of action for the other professions. This will concern lawyers, architects, civil engineers, nurses and midwives. We will have completed this work very soon.

It is now for the Council of Ministers to adopt those directives which are ready to be put into practice, and I mean by this the directives on doctors. The Council could adopt these directives as early as February. We have in fact almost reached our goal with respect to the doctors.

Brunner

Eight Member States have managed to adopt a uniform position in the Committee of Permanent Representatives in this question. These eight Member States have realized that granting doctors freedom of establishment and freedom to pursue their profession will be beneficial to the whole population and also be in the much appreciated interests of the doctors themselves.

I have spoken of eight Member States. I do not want to mention any country here by name, but please help us to persuade the government in Brussels to realize at last that we must reach a solution on this question now. This is a first step in an important sphere of European Unification. The sooner we reach the goal, the better it will be for this process of unification, about which so much scepticism has been heard of late. I know that we are breaking new ground with the doctors. We will be gaining initial experience in this field, Mr President, and this experience will be useful when we come to deal with the other professions. And I should like to say here and now that we intend to set up an advisory committee for architects. We want to adopt a similar procedure for them as for the doctors.

You, the European Parliament, have taken the initiative in establishing freedom of movement in at least one field, and that is the idea of the group practice. Your intention with this proposal has been to facilitate freedom of movement, and I welcome this, although I do fear that the group practice will not be of the same standard as what we can now achieve in the case of doctors, and I say this for the following reasons: there are no restrictions on freedom of establishment as a consequence of nationality; that is already definite. But whether a lawyer or an architect who has completed his training in one country, will be fully recognized in another Community country, is a question which we still have to solve with the aid of clearly worded directives; we cannot do without them despite the introduction of community practices. We intend now to take a step towards achieving the whole objective, and let us take this step together. We therefore intend to concentrate all our efforts on the one goal. We want to apply what is now within reach with the doctors to the other professions as well. That is my answer to that point.

As you know—and I now come to another question—the Education Ministers drew up a list of priorities for cooperation in the education field on 6 June 1974. I would like to take up a point here which should be near to all our hearts. It concerns the education and training of the children of migrant workers. We all know that we are faced with a new situation in this ques-

tion in Europe. We have migration in Europe of a type unknown in the past.

People are leaving agriculture and going to the congested industrial areas. There is migration from one country of the Community to another. There are also many nationals of countries outside the Community working and living in the Community. They bring their children with them. Other children are born in the new host country. These children are faced with far greater difficulties than those who are educated in their home country. They have an identity problem. To which environment do they belong, to which culture, what is their language? If we do not help these children to overcome these added difficulties, we will have a group of pariahs in Europe in a few years' time. We will have groups which are cast out of society and have to settle outside it. If we do not help them in time, the police and health authorities will be dealing with them. We must not allow it to come to this in Europe. That is why we have singled out this item and decided that definite progress must be made.

The children who are today growing up in Europe should have the feeling that they are the beneficiaries of European unification. European unification should mean something to them. They should not one day have to look back with resentment on the negative sides and imperfections of the Europe in which they have grown up. The following must therefore be done:

Firstly, we must provide special reception classes and intensive courses for children of migrant workers. We must make it easier for them to settle down in their new linguistic and school community.

Secondly, normal lessons must be supplemented by additional courses for children so that they do not forget their mother tongue or the culture of their home countries.

Thirdly, teachers from the countries of origin must be employed. The teachers entrusted with the education of these children must be especially trained for the specific task.

Fourthly, we must have social workers to take an interest in these children after school hours and to make it easier for them to settle into their new environment.

And fifthly, we must take steps to ensure that the children of aliens and non-aliens have an equal chance to receive scholarships. There must not be any privileges when it comes to encouraging the gifted.

I am pleased to say that the Council of Ministers took a decision in June which will enable us to

Brunner

use the European Social Fund for this purpose. The Social Fund can also be used to help with the training and advanced education of teachers and social workers for these children.

The Commission will inform you as soon as possible what it intends to do in this field and how it intends to take the next steps. I feel that in this way we are meeting a fundamental obligation in respect of European unification as well as a fundamental humanitarian obligation.

I now come to another section, Mr President: the European Schools. They are not on the list of priorities drawn up by the Education Ministers. And many Members of this House, I know, regret this. The Commission will, I assure you, draw up further proposals in the future on how the European School system can be improved. But we must realize one thing: the European Schools are financed by the Member States; they are financed by the Member States under separate agreements; they are not in fact the responsibility of the Commission. We are represented on the Advisory Board of these schools. From February onwards we will be represented on the Pedagogical Committee of this Board. What we are able to do in these bodies we will do. We intend to ensure that the existing European Schools and those set up in the future work successfully. In this connection I would make particular reference to the fact that the setting up of a European School in Munich, the seat of the European Patent Office, is at present under discussion.

I now come to the question of the coordination of legislation on education, which is not an easy subject. We all know what the situation is in Europe as regards education, how all the Member States, all the institutions of the Community and all Members of Parliament were surprised by the new requirements. We are faced with a completely new situation. Whereas it was usual up until the fifties for school education to finish at 14 to 16, we are now in a position—thank God I would say—where further education up to the age of 18 and 20 is taken for granted. And the whole concept of school is undergoing change. It used to mean a closed institution having little to do with events outside, the development of society. I would point out that as recently as the fifties a commission in the Federal Republic of Germany stated that it was quite sufficient for the education system to remain broken down into primary schools, secondary schools and grammar schools. Basically, this division into three was meant to cater for people according to the stratum of society to which they belonged. Let us not beat about the bush; that's how it was. It was nothing less than the perpetuation of a society in Europe based on classes.

We are in the process of getting over this. But it requires enormous effort. And now the question arises, in this situation in which things are in a state of flux in all Member States, how do we achieve a convergence of education systems? I believe that the novelty of the situation faced by all the Member States will in itself contribute to this convergence. The compulsion to comply will result from the novel situation. But that is not enough. We as the Commission intend to ensure that the exchange of information and coordination are as intensive as possible and that we overcome any unnecessary disparities that may exist.

However, it is not our intention to create uniform masses in Europe. The distinctions in education, the distinctions in culture reveal the many facets of Europe, the wealth of Europe. We do not intend to throw this overboard. What we can do is to ensure that there is at last general recognition of diplomas and that there is genuine freedom of movement of teachers and students from now on. In our pragmatic approach we have placed the emphasis on these aspects. And we are confident that as education undergoes further reform in each Member State, convergence will be accelerated. Where we find that this is not the case, we will take action, we will consult you, take up your suggestions so that things do not drift apart, so that we have a range of education in Europe that meets the requirements of the individual citizen. The whole process of European unification would be so many words if institutional arrangements were made without regard to these requirements; they would be nothing more than simple theory.

You ask me about my action programme. I am not so presumptuous as to say to you, 'I have already decided on a concept with a fixed timetable'. I am building on what my predecessor, Professor Dahrendorf, left behind. He submitted to the Commission a programme of work, an action programme, and the Commission adopted it on 25 September 1974. It is a good programme. We will soon have a new basis from which to work, since as you know, the Education Ministers set up an Education Committee in June. In December this committee discussed working papers from the Commission and Member States on all areas to which the Education Ministers have given priority. By the end of June of this year we will have a comprehensive report drawn up by the committee. I feel that we should wait until this report comes out. However, we should exert pressure where something can already be done, as is the case with the mutual recognition of diplomas, so that the Council of Ministers takes action.

Brunner

I would ask you to use your influence in the national parliaments to have the Council take decisions quickly in this sphere. This is an urgent question; there will be no convergence of the European education systems, there will be no harmonization of structures in Europe if the Council does not take decisions quickly.

The Commission cannot and will not shut itself off in an ivory tower in its work on education and science. We intend to cooperate closely with other organizations, with UNESCO, the OECD and the Council of Europe. Commission officials attend all the committee meetings of the Council of Europe that concern education questions. We collect information on the mobility of graduates together with the Council of Europe. This year we are drawing up jointly a review of the sources of documentation in European education. The 1976 annual programme of the European Documentation and Information System on Education (EUDISED) is the result of joint preparatory work. We will intensify our relations with the Council of Europe wherever joint action is beneficial. We will not allow there to be any uncharted spots on the map of Europe in this field.

Finally, the Committee on Cultural Affairs and Youth has asked me to comment on the state of preparations for the European University Institute in Florence. I willingly do this because I have some good news to report. The treaty has now been ratified by all six original signatories. Denmark, Britain and Ireland intend to ratify it by March of this year. The provisional Academic Council of the Institute will be appointing the first professors at the end of January. And the difficult problem of finding premises for the Institute also appears to have now been solved. The Italian Government intends to complete the construction work in Fiesole, the provisional seat, in a few months' time, and we can now expect to see the first members of the teaching staff and the library staff working there in September of this year. The first group of research workers will be working there in September 1976.

That is all that I can say at the moment in reply to the questions put to me.

(Applause)

President. — I call Mrs Walz.

Mrs Walz. — (D) Mr President, the ministers have decided that seven activities should have priority. Extensive funds will be required for them. However, considering that only 400 000 u.a. have been approved, the funds available will probably only be sufficient for the education

of the children of migrant workers, about which we have just received so detailed and satisfactory information from you, Mr Brunner, together with information on cooperation between universities and the mobility of students. Larger sums will undoubtedly be needed later, and I am convinced that this Parliament is quite prepared to approve them for you.

In the resolution adopted by the ministers—and you also referred to this, Mr Brunner—there is mention of making the education systems in Europe more similar. You call this the need for the convergence of the education systems and expressed hopeful promises, as it were, as regards the recognition of diplomas. We have of course been frequently disappointed with respect to diplomas, and I feel that education systems vary so much that there will be real difficulty, even as regards the mutual recognition of diplomas, although all of us here are determined to support mutual recognition as far as possible.

Nevertheless, there must be some doubt about such improvements actually occurring until the Education Ministers of the various countries consult each other to a sufficient extent about their reform plans, and in this context the paragraph of the resolution adopted by the Council of Ministers on the mutual recognition of diplomas would appear to be a kind of stop sign since it reads: 'emphasizes that such directives should be so drawn up that they do not impede efforts towards educational reform in the Member States of the Community'.

If the principle of an optimum level of education is firmly anchored in the directives, I really do not see how these directives could be an obstacle to the reform of the educational system. In fact, this sentence probably conceals the desire of one or more governments not to allow their complete autonomy to be restricted by Community rules, and I feel that this is the very reason why so little progress has been made in this sector to date; every government initially places tradition rather than continued development at the top of the list. The search for a European identity must, however, begin in the schools and universities. It cannot, however, as yet be said that the governments in the Community have made any noteworthy contribution to this end. This is really only confirmed by the results of the opinion poll—the European barometer—organized by the Commission, which have been distributed to us in the last few days. Our fellow citizens continue to think at national level, as do our governments, who are not capable of finding Community solutions to the present problems, above all those in the educational field.

Walz

I should also like to comment on another point, the mobility of students, to which you have just referred and which has dropped off considerably, particularly because young graduates in the various countries are more likely to find themselves unemployed than was previously the case.

It is clear that such mobility can only be encouraged in our society and our Community by intensifying language tuition, since knowledge of a foreign language very often makes it possible to spend time in another country. In addition, knowledge of languages would give us a better and more detailed picture of the other European peoples, of their mentality and civilization and eliminate quite a few prejudices. If this results in the introduction of a European dimension in education and tuition, as the Commission puts it, the Community will have more solid foundations, and nationalism can at least to some extent be overcome, since young people will then be aware of their common interests in the field of politics, economics as well as culture and intellectual life.

(Applause)

President. — I call Mr Meintz.

Mr Meintz. — (F) Mr President, I should like first of all to thank Mr Brunner for his answers to the question from our Committee on Cultural Affairs and Youth.

I must say that this approach inspires confidence and gives the impression that he will make every effort to solve the problems the committee will inevitably have to face in the educational field.

I must also express my satisfaction at his answers on the education of migrant workers' children, and his support for the European schools and the University Institute in Florence.

Speaking on behalf of my committee I shall confine myself to two topics: group practices and cooperation in the educational field.

The Committee on Cultural Affairs and Youth was asked last year to consider the guidelines for mutual recognition of diplomas, certificates and other educational qualifications, pursuant to Article 57 of the Treaty.

Parliament accepted the committee's proposal that official recognition should be given to the educational qualifications and freedom of establishment of the self-employed persons mentioned in the proposals for directives who settled in one of the Member States other than their country of origin to work in a group practice. Mr Brunner has just said this was a somewhat retrograde step and it seems to me therefore

that he feels that Parliament's proposal could not be adopted.

As far as the Committee on Cultural Affairs and Youth and its rapporteur, Mr Hougardy, were concerned, the main purpose of the proposal on group practices was to take an initial step towards freedom of establishment for self-employed persons. The committee was aware of the limitations of such a proposal, but felt that it would be an incentive to progress in a matter that the Council had been considering for nearly eight years.

Mr Brunner has told us that satisfactory progress has been made in regard to freedom of establishment for doctors and lawyers. We welcome this, but I doubt if the same applies in the case of other groups such as engineers and architects. I am all the more doubtful because, as an official, I helped in the preparation of these directives ten years ago, first in the Commission, then with the same experts in the Council. I do not really see how, in view of the nationalism Mrs Walz has just mentioned, a directive on freedom of establishment for engineers and architects can ever be implemented. Indeed, as long as the fate of such directives is in the hands of people who indulge in lengthy arguments about the comparative value of one year of study in a country, or the merits of a school, which are often only historical, a bold political decision will be needed before they can be acted upon. I was pleased to hear Mr Brunner say that a positive decision would soon be taken on the establishment of doctors. The idea of setting up advisory committees with a more flexible approach to the problems and criteria is to be welcomed.

To return to group practices, it is certainly better to find a solution that could be applied to all members of professions rather than to a category of people exercising these professions, but the solution proposed for group practices should not be made an excuse for delaying the adoption of proposals for a directive on freedom of establishment.

This is why we are quite prepared to support the Commissioner when he says that a general directive must be adopted, but I urge him not to forget the proposal that the committee has made if he finds that, for other reasons, the question of freedom of establishment is further delayed for many years.

As regards my second point, relations with the Council of Europe and other international institutions particularly concerned with educational matters, I was gratified at Mr Brunner's answer. We are well aware that it is essential to avoid confusion between the responsibilities of the various institutions concerned.

Meintz

In fact, the scope and terms of reference of the Community institutions are governed by different treaties. However, education is a field in which cooperation between Member States is to be promoted, and I feel therefore that relations with other institutions are more justified in this case than in other fields, especially as, in education, cooperation cannot be confined to the Community. For some time now, countries outside the Community have been carrying out experiments which could be of considerable value to our members. But it should be remembered that, with its European Schools, the Community alone has a real instrument in the field of education. This is a further reason for promoting cooperation in this sphere.

I am sure that it is necessity that makes the Commission and the other Community bodies take an interest in education, training and youth questions and not, as has sometimes been said, the fact that they are making very little progress in other fields.

President. — I call Mr Walkhoff to speak on behalf of the Socialist Group.

Mr Walkhoff. — (D) Mr President, ladies and gentlemen, on behalf of the Socialist Group I should like to thank Mr Brunner for his statement, which leads us to hope that we can jointly achieve success in important areas.

The Socialist Group sees in the realization of freedom of establishment and the mutual recognition of diplomas an important contribution in making the individual aware of the progressive construction of the Community of Europe. We must not allow a situation to continue in which—and I should like to give an example here that I have just heard—a qualified Dutch nurse marrying a citizen of the Federal Republic, moving to that country is unable to pursue her profession because her diploma is not recognized there. We would ask ourselves how much faith in Europe those citizens can have who personally experience the 'progress' we have made. For the nurse it meant a drop down the ladder and for all of us unnecessary expense in that the training she has already completed in one Member State will have to be repeated in another.

As regards cooperation and coordination in the educational field, I should like to ask on behalf of my group if the Commission intends in future to exert greater influence by having the European idea play a greater part in the textbooks of our national educational institutes. At the moment the glorious national hero still plays a greater role than common European tradition. I know how difficult this problem will be to solve,

especially when I think of the autonomy of the Länder in the Federal Republic in education. In other countries there are other problems again.

Nevertheless, we should not lose sight of this necessity and as regards the European idea, the European Schools could really set a good example. It is almost incredible, but it is a fact, that graduates of the European Schools cannot distinguish between the European Community and the Council of Europe, quite apart from knowing little or nothing about the institutions of the European Community. This is due to the fact that nothing is taught about the Community or European society in the European Schools.

I have thus come to the last of the problems that I should like to mention, the problem of the European Schools. Although the Commission suggested that the European Schools should be mentioned, the Council refused to include the subject in its resolution of 6 and 7 June since it felt, I understand, that the problem of the European Schools was not of general European importance. This may be true of the European Schools in their present form since they are nothing more than schools for the sons and daughters of European officials. But it is most certainly not true when you think that the European industrial countries have brought to their congested areas a large number of foreign workers whose children cannot be guaranteed a proper education. It is not true when you think that the European Schools also bear at least part of the responsibility and must not be relieved of this responsibility. It will not be enough to take more migrant workers' children into the European Schools in future; there must be a willingness to carry out the necessary pedagogical reform to give these children a genuine chance to complete their courses at these schools successfully. At this point I should like to thank Mr Brunner for the willingness he has expressed to attempt to push forward with the development of the European Schools. Here again I am aware of the difficulties, but I am afraid that we can only ask whether the present school system should not perhaps be changed to give it a Community character. This may be the goal after which we must strive in order to achieve something in this field.

Our appeal is not least based on the statement of the Council of Ministers following their meeting of 6 and 7 July, which attaches particular importance to equal chances for all children with unrestricted access to all forms of education and calls for better opportunities for the education and training of the nationals of other Member States and of non-member states and their children.

(Applause)

President. — I call Mr Cifarelli.

Mr Cifarelli. — (I) Mr President, I am not speaking on behalf of my group but in a personal capacity, and I would like to stress two points in this oral question which seem to me to be particularly significant and which it is important to comment on today, when we have the opportunity of being heard by Mr Brunner, the Commissioner with responsibility for these problems.

I would like first of all to deal with point 4, which mentions contacts with the Council of Europe. It seems to me that not only logic but also historical and political perspectives, both past and future, must lead us to cooperate as fully as possible with that organization. It is no less European than our own institutions, and it covers a wider field of action, particularly in cultural matters, involving extremely important activities (the current European Architectural Heritage Year, for example). It also brings together European nations which, although not being part of the Community of the Nine for historical reasons, are nevertheless nations of great importance in European civilization: suffice it to mention Greece.

The other point which I wish to stress, Commissioner, is the one referred to briefly in point 2, which talks of the necessity of giving a European dimension to education and, more generally, preparing people to become citizens of Europe. I would like to say in this connection that stress has just by been laid on the importance of the right of establishment and, as a result on the mutual recognition of diplomas, which in particular helps to overcome obstacles of self interest and sometimes—as you have pointed out—stupid and mediaeval, idiosyncratic and inconsistent situations. Solving these problems has been made easier by the fact that they are linked with the articles of the Treaty, by the action of the Court of Justice, by concern for practical interests (at European rather than on a nationalistic and local level) while as I say, there is all this in favour of the right of establishment, as indeed there is for the European Schools, which are also helped by certain social needs; however, as regards this other problem which, if it were solved, would spread awareness of a common culture ever wider throughout Europe, we are on new ground, and the Commission will have to exercise its right of initiative, draw up plans, pay new attention to this problem and make every effort possible to ensure progress.

I believe, however, that in this context we must speak not only of coordination of legislation on teaching, but of giving a whole new direction to this legislation.

It would take a long time to deal with this subject fully and I have little time available, but I would like to stress that what really matters to us is the awareness of a common European culture, of what Montesquieu called 'l'Europe civile', which he already felt as a single entity. Such an awareness is not only at the root of the process of national unification which we have witnessed, for example in my own country, Italy, or in your country, Commissioner, but is also the basis of our expectations, indeed of the urgent necessity, of building a united Europe, the European Union, the United States of Europe.

In every multinational union, the problems of culture and education are usually the responsibility of the individual members: the federated states, the Länder and the regions. But we must realize that in the framework of the Community in its practical phase, the duty of giving effect to this policy must be entrusted to the single overall authority of the Commission.

On this point permit me, Mr Brunner, to stress two views. I am completely against the attitude of considering our national histories as a series of sins for which we must repent. A few days ago in Rome we set up an association for friendship between Italy and Austria, and on that occasion I said that it was a happy coincidence that it was founded sixty years from the day when the Italian and Austrian armies fought for the last time. We cannot change our histories: there was the 100 years war, the result of bitter rivalry between English and French, just as there have been bloody wars on the Rhine. But we cannot pretend that these 'civil wars' among us Europeans did not happen, in an absurdly nostalgic attempt to return to the state of Europe as it was in Charlemagne's time. Nations are born from a joint sharing of civilization and freedom. Think of culture, think of art. I speak the language of Dante, of Machiavelli, of Michelangelo, of Raphael, of Giambattista Vico and Benedetto Croce; others speak languages of similar importance, from Shakespeare's to Goethe's and they all demonstrate our common European culture.

Let us then write this history in a modern way: that is a worthwhile plan of action. Let us write a history—and it must be a coherent one—of art, of progress, of civilization. This can only be appreciated on a European level, and should not even be limited to Europe. How can one understand Italian art without connecting it with Flemish art, or the art of Burgundy without linking it with German or British art?

And I would like to add another equally significant example. When we consider the culture of a people, Mr President, we realize that it inclu-

Cifarelli

des an awareness of its constitution, that is to say the legal basis of its civilization and liberty. Just as young people in Britain should know the Magna Carta, the basis of their country's freedom and civilization, just as young Italians should know the constitution of the Italian Republic, I think that we must encourage all young people from London to Lecce to know the Treaties of the Communities, their institutions and their meaning and the history of the present times, which certainly contains more relevant events—and disputes, which are perhaps unfortunate—but must be considered as a step forward from the history of 30 years ago, when our peoples were at war, our regions devastated, and Europe seemed to despair of its future.

So if we do not wish to become mere protectorates—and let us not forget that we are running a real risk of doing so—it is in the field of awareness of a common culture and a common European civilization that we must make the greatest efforts. This is what I am asking for, planned, determined and long-term action, and I hope that the Commissioner, Mr Brunner, the Commission and the Council of the Communities, who are listening, will heed the voice of a Member of Parliament who cannot call himself a democrat without at the same time being a convinced European federalist.

(Applause)

President. — I call Mr Broeks for a brief reply.

Mr Broeks. — (NL) Mr President, I have already indicated that it was not the intention of our committee to engage in a detailed debate with the new Commissioner at this stage on all the points which have been raised here. Our time is too short for that.

What we did want to do was to draw Mr Brunner's attention to a number of points. That has now been done and we have heard from him what action he proposes to take. We are extremely pleased that he is to take over Mr Dahrendorf's work programme. We hope that he will soon be able to let us know the proposed time-limits for implementation of the various plans. I consider a time schedule particularly important in this matter.

I am very grateful to Mr Brunner for what he said about Florence. Here at least progress has been made. Perhaps he will also be able to let us know in committee what his decision is about the Bruges Institute for which Parliament has in the meantime requested an additional 12 000 units of account.

As to the mutual recognition of diplomas, we are rather less optimistic than Mr Brunner. It

is perfectly true that a Dane who has studied in Germany can settle in that country. But a Dane who has studied in his own country certainly cannot do so. The Commission's proposals must also be adapted to a ruling of the Court of Justice concerning a Dutch lawyer who had studied in Belgium but was not allowed to practise in Belgium despite his Belgian diploma.

We particularly welcome the fact that Mr Brunner, like Mr Dahrendorf, is still optimistic. Mr Dahrendorf had expected recognition of the diplomas of medical practitioners to be decided by the end of the year and Mr Brunner tells us that he now expects the decision in February. I hope most sincerely that he will be proved right. We should make a point of asking our Belgian friends to urge their government to review its position and not remain isolated in this matter. I realize that there is some disappointment in Belgium about the Court's ruling but this matter is far more important. We should urge the Belgian members of our committee to exert all possible pressure on their government to ensure that the right decision is taken in February.

Mr Brunner has spoken of the need to fix identical lengths of study; I had hoped that would no longer be necessary after the decisions of the Ministers of Education. The intention was to formulate the fewest possible specific training requirements and to recognize the training conditions as they exist at present in the different countries.

I think this is a realistic approach because if we try to prescribe to each other specific training criteria we shall never reach results. I am pleased that Mr Brunner now intends to work on the professions of lawyer, architect, engineer and midwife. I hope that an early start can be made and that mutual recognition will even be achieved by the end of this year.

I am glad that we have had this opportunity to listen to Mr Brunner. Our committee must now continue the exchange of views with him on the matters raised today.

President. — Does anyone else wish to speak? Thank you, Mr Brunner.

I have no motion for a resolution on this debate.

The debate is closed.

13. Allocation of speaking time in the debates on two reports

President. — I will now inform you of the decisions taken today at the meeting of the

President

Bureau on the allocation of speaking time pursuant to Rule 28 of the Rules of procedure:

Mr Patijn's report:

— rapporteur (presentation and answer)	60 minutes
— rapporteur of the Legal Affairs Committee, asked for its opinion	15 minutes
— spokesman and members of the Christian-Democratic Group	60 minutes
— spokesman and members of the Socialist Group	60 minutes
— spokesman and members of the Liberal and Allies Group	40 minutes
— spokesman and members of the European Conservative Group	35 minutes
— spokesman and members of the Group of European Progressive Democrats	35 minutes
— spokesman and members of the Communist and Allies Group	35 minutes
— non-attached members	15 minutes

Mr De Koning's report:

— rapporteur (presentation and answer)	60 minutes
— rapporteur of the Committee on Budgets, asked for its opinion	10 minutes
— spokesman and members of the Christian-Democratic Group	50 minutes
— spokesman and members of the Socialist Group	50 minutes
— spokesman and members of the Liberal and Allies Group	35 minutes
— spokesman and members of the European Conservative Group	30 minutes
— spokesman and members of the Group of European Progressive Democrats	30 minutes
— spokesman and members of the Communist and Allies Group	30 minutes
— non-attached members	10 minutes

In order that voting can begin on time, I would obviously ask speakers not to use up the whole of their speaking time, especially since I must point out that the Socialist Group intends to ask for a vote by roll call.

14. Decision on a plan of action regarding scientific and technological information and documentation—Decision on a programme of research in the textile sector.

President. — The next item is a joint debate on

- the report by Mr Helveg Petersen on behalf of the Committee on Energy, Research and Technology, on the proposal from the Commission of the European Communities to the Council for a decision adopting a first three-year plan of action in the field of information and documentation in science and technology
- the report by Mr Jean-Pierre Glesener on behalf of the Committee on Energy, Research and Technology, on the proposal from the Commission of the European Communities to the Council for a Council decision establishing a programme of technological research in the textile sector.

I call Mr Helveg Petersen, who has asked to present his report.

Mr Petersen, rapporteur. — (DK) Mr President, the proposal from the Commission to the Council for a three-year plan of action in the field of information and documentation, on which Parliament is to give its opinion today, goes back to a Council resolution of 24 June, 1971, in which the Council emphasized that the key to a policy worthy of Europe was the setting up of an effective information and documentation network. The Commission expands on this idea in its proposal and stresses that one of the principal assets of Europe lies in the traditionally high intellectual ability and inventiveness of its peoples, reflected in a continuing high level of investment in the future through research. However, it goes on, the proper exploitation of this considerable asset in technological innovation requires that the ever increasing volume of scientific and technical information available be correctly, promptly and economically channelled through appropriate information transfer systems to those in the community who need it. It is clear that this is an undertaking which is appropriate to the European Community. If this task really can be carried out in the Community, there will be economic and other benefits.

The Commission document containing the proposal for a Council decision is not easily comprehensible. It is of course difficult to present complicated problems clearly and simply, but it is the view of the Committee on Energy, Research and Technology that it could have been done more clearly and more intelligibly.

Petersen

This is the reason why on page 9 of the Report, in the explanatory statement, we say that it would be useful if future documents were so drafted by the Commission that the points of essential importance to political decision-making bodies were brought out with greater clarity. It should be borne in mind that Parliament in fact often gives opinions on matters which involve technically very obscure points, which we must know about in order to be able to give a qualified opinion. It is also clear that we must have the necessary time, which was not the case with this document. This is an aspect the Committee very much wishes to protest at. If we are really to solve problems of this nature, we must have the necessary time to deal with the problem, and we have not had that.

The proposal for a Council decision itself is made up of four articles. Article 1 proposes that the plan of action be adopted for a period of three years. Article 2 describes the two committees to deal with the problems, namely the Committee for Information and Documentation in Science and Technology and the Scientific and Technical Research Committee. These two committees, according to Article 2, are to be kept informed of progress by the Commission. Furthermore, the Commission is to submit a report to the Council each year.

Our committee has proposed an amendment to the effect that a report shall also be submitted to Parliament. We think that it is very important for us to have an opportunity to follow up the work.

Articles 3 and 4 deal with the economic aspect, and the Committee on Budgets has made some critical remarks on the way this aspect has been treated. In the opinion of the Committee on Budgets, too little information is given, in particular about why cuts were made in the original appropriation for the Committee for Information and Documentation on Science and Technology; the wish is also expressed to have current cost estimates for 1976 and 1977. I would note in this connection that the planned appropriations, according to the Commission, rise from 1.84 million u.a. for 1975 to 2.3 million u.a. for 1976 and 2.5 million u.a. for 1977, on the basis of 1974 prices. The rise is explained by the progressive development of the action plan.

I should now, Mr President, like to make some observations on the actual content of the plan.

This involves three areas: the first area has to do with sectoral information systems, the second with the creation of an information network and the third with the development of information technology and methodology. It should be emphasized that these mainly involve

—but this is not a bad thing—so-called indirect projects, that is, work contracted out largely to private, specialized institutes, mainly in the Member States.

The first area is sectoral information systems. Here work is already in progress, in some cases under construction and in others still in the planning stage. This involves documentation on, for instance, atomic research, metallurgy, agriculture, environment protection, veterinary medicine and general medical training, data banks, studies of future systems, etc.

These are only examples, and the document emphasizes that the goal is for all scientific and technical fields eventually to be covered by information systems within the European network.

Examples are given of problems to be dealt with, such as research and development in energy production, support for selected industrial information systems, modern transport technology, food technology, water resources, information and library activities, science policy, etc. These are problems we continually deal with in Parliament, and we very much need to have as much up-to-date knowledge as possible for our deliberations.

The second area concerns the creation of an information network. The aim of this network is to help to put all the information resources available at the disposal of the totality of potential users in the countries of the Community, and this is a difficult task.

In particular, when setting up the information network, one must constantly bear in mind the many and varied users who may benefit from an effective network of this kind.

These include private users, but also to a very large extent the educational sector, as well as public administration in the Member States.

All parties will be able to draw benefit from the project if it is properly set up.

It is very clear that in working on something like this there must be research in progress, there must be investigations into the various geographical areas and various categories of users. In other words, market research must be carried out, to allow the identification of network users, their needs and the way their needs can be met.

Studies must be carried out in the individual countries and their needs taken into account in the work, and it is obvious that users must be offered information via several systems.

Petersen

Mr President, in this connection the committee emphasizes in its report that we attach importance to securing a unified language from system to system, a standardized computer language. At present, the terms used in the various information sectors vary from system to system, which is obviously awkward for the user, who does not wish to change language every time he changes system. For practical reasons, therefore, we must develop a common system of terminology with the same meaning from system to system.

The third major area is information methodology and technology. The five aspects mentioned here, enumerated on pages 39-43 of the document, in fact presuppose the creation of the information network, while at the same time they are themselves prerequisites for the creation of the network. In particular, multilingual tools are to be studied, the information network is to be standardized and information specialists are to be trained.

Altogether there are a number of technical matters which we parliamentarians can with difficulty envisage being worked out in practice, especially because we have had so little time to deal with the problems. This is why we so strongly emphasize the necessity for the committee to be kept informed of progress from year to year, so that we are always in a position to follow developments and can get to grips with the technical details we have to understand if we are to evaluate this whole arrangement.

Mr President, the committee can approve the Commission's proposal to the Council. We cannot have any advance opinion on the extent to which it will be possible for the whole system to function, but there cannot be the slightest doubt that the actual idea underlying the proposal is correct. We welcome the fact that it is the Commission which will lead in implementing this action, in which third countries can also participate. We think in fact that it is important for third countries to get a chance to join in, but we also emphasize in the last section of our report, 'Assessment of the proposals', that, in the implementation of the information and documentation service, every effort should be made to give users the greatest possible service, and here we on the committee have small users very much in the forefront of our minds. Big users, big organizations will get by all right, they will be able to come by information, but small users, small industrialists, craftsmen etc. can find that very difficult, and such activities must therefore be guaranteed priority, precisely to help all these small and medium-sized undertakings. It is certainly correct to say that it is precisely this category of undertaking that is being

squeezed by development, but they do have an extremely central role to play in future development in the Community. I think that an expanding information and documentation service can be of very great value for just this category of undertaking.

Let me add a general observation. This proposal opens a way to give users—and that in fact means the public—a picture of what is going on in the various sectors and also something about the collateral consequences, and this is something we have very great need of. We are too inclined to work with things separated from each other into sectors, and to forget the interconnections between the various sectors. But one cannot, for example, discuss—at any rate in depth—developments in transport systems without also being faced with environment problems. There is a connection, and we must always keep our eyes open for it, and it is here that an information system like this can help us. Many other examples of the necessity for more consistent evaluation of the consequences of action in various areas could be given. We therefore, Mr President, attach very great importance to the proposals submitted by the Commission, and in the motion for a resolution the committee has brought out some of the essential points we particularly wished to emphasize, and I hope that Parliament will agree with the committee's attitude.

(Applause)

IN THE CHAIR: Mr MARTENS

Vice-President

President. — I call Mr Springorum, deputizing for Mr Glesener, who has asked to present the report.

Mr Springorum, deputy rapporteur. — (D) Mr President, ladies and gentlemen, in presenting the report of the Committee on Energy, Research and Technology I am merely deputizing for the rapporteur, Mr Glesener, who submitted this report to and discussed it with the committee, which then unanimously adopted it.

I should like at this juncture to thank the rapporteur, Mr Glesener, not only for this report but also for his activities in our committee and this Parliament, in which he has always helped us to make progress in European questions, and we can but wish him every success in his future parliamentary career.

(Applause)

Springorum

The Commission's proposal for a Council decision in the research sector differs from earlier proposals to the extent that it is based on Article 235 and the Commission has not attempted, as it did in the past with the COST proposals, to apply another article by some devious means, but has here quite simply and clearly selected an article which makes allowance for exceptions, so that some real progress can be made in the field of textile research. And research in the textile industry is, the committee feels, particularly important because the European textile industry must be protected against the pressure of imports from third countries and because many small and medium-sized textile undertakings are frequently unable to participate in research projects of their large counterparts.

We are in favour of Community research and thank the Commission for proposing that joint research also be conducted in a non-nuclear field. The activities concerned here are indirect, i.e. the research will be carried out by the industry with financial support from the Community. The Community will finance one third of these research projects. But I should like to express some criticism. The financial effects of this are far from adequately described in the Commission's proposal. This has nothing to do with the relatively small amount of money. A better explanatory memorandum would have made it much easier to analyse the proposal.

The proposal concerns the following: firstly, the heat treatment of man-made fibres; secondly, the treatment of textiles in organic solvents; and thirdly, research into the fireproofing of textile fibres, all proposals which we very much welcome because for one thing they make for savings of energy and for another, protection of the environment. The low flammability of carpets, upholstery and so on is undoubtedly a field of research which we can only approve.

I would like to underline the criticism already made by Mr Petersen. Article 235 is basically an article which makes allowance for exceptions. It does not prescribe any parliamentary control, even by the national parliaments. The European Parliament is the only instrument exercising parliamentary control insofar as it is consulted. This means that the European Parliament should be allowed enough time to discuss these proposals. The report I am now presenting was referred to us on 1 October; the translations were ready by mid-November, and we were supposed to have adopted this proposal at the November part-session. The same has happened in our committee with a Commission proposal which was forwarded to us on 11 December. The Council and Commission requested that we discuss it at this part-session. This is simply

impossible. Particularly where the subjects and proposals are so important, I feel that Parliament must be allowed sufficient time to discuss them with the Commission's assistance. This request that we be granted sufficient time for our consultation here is prompted in this particular case by these two reports by Mr Petersen and Mr Glesener.

Otherwise, I should like to express my heartfelt thanks to the Commission for taking the first and courageous step on a path that will lead to benefits for the Community. The committee unanimously adopted the report drawn up by Mr Glesener, and on his behalf I would recommend the House to adopt the motion for a resolution it contains.

(Applause)

President. — I call Mr Flämig to speak on behalf of the Socialist Group.

Mr Flämig. — (D) Mr President, I would merely like to add a few brief words to what the chairman of the Committee on Energy, Research and Technology has just said.

Our group has discussed both proposals. What objections should we have to such things as fire prevention, consumer protection, environmental protection and also the welcome application of Article 235, and to the fact that, to refer to the first report, that by Mr Petersen, a 3-year plan of action is being worked out for the field of information and documentation in science and technology? We approve both aspects, and should like to express our pleasure at seeing a courageous step being made into another field of research and development beyond the original intention of considering only nuclear energy.

We, too, have some criticism to make. It should be the exception that we have to rush over our work; if something is really urgent, then we will treat it as a matter of urgency. But sometimes we cannot escape the impression that at the Council, where enormous piles of proposals for regulations and directives lie around, things get slightly out of hand from time to time and work schedules upset. The consultation of Parliament must not be allowed to become a mere formality. The impression must not be allowed to arise that Parliament's work is disregarded. Much as we welcome these two proposals, we would therefore like to ask the Council to refer proposals to us in good time, and we will also request the Commission, if it can be done quickly, to set out the financial implications in such a way that we parliamentarians can obtain a clear picture. We would also appeal to both institutions once again to take the procedure

Flämig

for consulting Parliament seriously since this is the only way that emphasis can be given in practice to the theoretical call at the Summit Conference for the strengthening of the powers of Parliament.

As I have said, we approve both the plan of action and the programme of technological research in the textile sector and the motions for resolutions contained in the reports.

(Applause)

President. — I call Mrs Walz to speak on behalf of the Christian-Democratic Group.

Mrs Walz. — *(D)* I should like to comment on the Glesener and Petersen reports on behalf of the Christian-Democratic Group. Both reports are based on Article 235—and as a group we, too, welcome the application of this article to the non-nuclear research sector, which should of course be extended. Both reports were unanimously adopted by the committee responsible and the committees asked for their opinions.

The Glesener report had as its objective the maintenance of the technical and technological lead enjoyed by the textile industry in the Community, since the market is being opened up to an increasing number of third countries able to supply cheaper goods. The programme on which a decision has to be reached would help in particular the smaller and medium-sized undertakings to maintain their lead as regards quality so as to remain competitive, and in view above all of the increasing unemployment, we can but applaud the fact that the Commission is continuing its work in this sector.

I should now like to turn to the Petersen report and congratulate Mr Petersen on his expert work. He analyses the essential points of an extremely complicated subject matter, information and documentation in science and technology, points to certain deficiencies and criticizes in particular the reduction of funds for CREST by about a third. This reduction, for which no detailed reasons have been given—and we regret this very much—are all the more surprising as the committees concerned, and in particular the draftsman of the opinion of the Committee on Budgets, Mr Boano—and it is always a great advantage to have the Committee on Budgets on your side—agree that the humanities and sciences, technology and above all industry and the social sector are in urgent need of such sources of information, from which a European communication network, called the Euronetwork, is to be developed.

We also feel that Parliament should receive an annual report on the development of the Euronetwork. If the goal is cooperation in the scientific and technological sphere, if the intention is to harmonize economic life and ensure balanced economic expansion, as the Treaties state, and if education systems are to become more similar, a subject we have just discussed, then we are in urgent need of a source of information and documentation of this kind; it is, as it were, the basis of all joint work. As long ago as 1971 the Council adopted a resolution on the coordination of the activities of the Community countries in this field of scientific and technical information, and in January 1974 it approved an action programme for the scientific and technological field. The proposal now before us is merely the outcome of the resolution and action programme. Its adoption is all the more a matter of urgency as Europe has fallen far behind in the last 10 years in the development of advanced methods and work processes in the information field. Japan and the USA have made particularly rapid progress. If we do not today decide to take concerted action to bring back together developments in the information sector in the Community countries, it will probably be too late since it will no longer be possible to make systems compatible. Thought should above all be given in this connection to the sources built up by COST, otherwise a great opportunity for increasing the number of scientific and technical advances made as a result of cooperation at an early stage and furthermore making this work cheaper—and that is a very important point—as well as jointly guiding social and economic developments, will be lost.

The decisive question, ladies and gentlemen, is whether we can in fact afford further fragmentation in this sector. If there is to be some kind of balance between the industrial countries and the developing countries, if the latter take over conventional technologies from us and we have to manufacture the more sophisticated technical products to safeguard jobs and maintain our standard of living, the only way will be for us to manufacture these sophisticated products in as rational a manner as possible. We must always apply the latest technological findings; we must avoid duplication of effort; and we must put innovations on the market as soon as possible, and this in a world in which the volume of scientific knowledge doubles approximately every 8 years. We simply must not allow what has happened in the past to recur, for example, in space technology—and particularly as regards information satellites—or on the computer market. These are key technologies in which we have fallen far behind, not as regards the theory involved, but as regards putting pro-

Walz

ducts on the market, and that of course means in job security. The need for cooperation has become the greater as a result of the necessity to pay for energy with know-how, which means to all intents and purposes that we are educating our future competitors ourselves.

I have nothing to add as regards the three stages of the plan of action, since Mr Petersen has already discussed them. Of particular importance is, however, that new fields are to be included, such as research and development in the energy sector, foodstuffs technology, transport technology, economic policy, scientific policy and education policy.

Education policy is of interest above all in view of the debate we have just had, and it is extremely important for the freedom of establishment and the mutual recognition of diplomas.

A necessarily highly developed and thus highly complicated information and documentation network must be developed, which will, however, make the language barriers between us even higher and for which a uniform instruction language must therefore be found. The network must combine all the Member States' sources of scientific information and it should be capable of achieving very considerable savings in the economic and scientific sectors. In this I am far more optimistic than Mr Petersen and feel that from a purely financial point of view, this network will be extremely beneficial. The national authorities, the managers, the educators and the public will then be able to profit from this system, although the funds earmarked for the educators and users are clearly far too low.

Finally, there must be an improvement in the methodology of the systems, and data banks and information analysis centres must be improved or constructed, with the already existing, and very expensive, data banks being used where possible. This is undoubtedly an ambitious programme, ladies and gentlemen, but it is one which we should study in detail and give every support in the interests of science, the economy and jobs in the Community.

(Applause)

President. — I call Lord Bessborough to speak on behalf of the European Conservative Group.

Lord Bessborough. — Mr President, I too would like to congratulate Mr Petersen on his report and also Mr Glesener, through Mr Springorum who presented that particular report very effectively. I am going to concentrate entirely, in the very few words that I am going to say, on Mr Petersen's report. I think my colleague Mr Normananton will be speaking on the textile sector.

I would like to say at the outset how much I agree with what Mrs Walz has said about our lagging behind the United States and Japan in the development of information systems and I hope that Europe will catch up as soon as possible. My group supports the Commission's proposal referred to in Mr Petersen's report. We believe that there should be standardization and rationalization in certain fields—although we certainly do not agree to excessive harmonization in others—and particularly in education which was discussed earlier this afternoon. We also agree that we should try to develop a standard language for computer control, but I know that this will take some time. I understand that the actual expenditure which Mr Petersen mentioned of 1.85 million u.a. in 1975 and 2.3 and 2.5 million u.a. in the next two years will have to be decided by the EEC Council in the context of its budgetary discussions. I also understand that the plan of action is developed from an existing Community programme in this field which has been supported, I am glad to say, by Her Majesty's Government in the United Kingdom. I would like to stress this point. The main responsibility in the UK lies, of course, with the Secretary of State for Education and Science, but it is also secondarily the responsibility of the Secretary of State for Industry, Mr Wedgwood Benn. I was very glad to learn that Her Majesty's Government, including Mr Benn, had been able to agree to this Commission proposal, despite the fact Mr Benn's views generally about the EEC and our entry into the EEC are well-known. But if Mr Benn can agree to the proposals with alacrity I hope that the Council will be able to do so too, and that other governments will be able to agree with the United Kingdom that the proposal is highly desirable. I would like to support Mr Springorum in the protest which he made about the short time limits given to Parliament to deliver its opinion on these two reports. And I think we must direct these protests as much to the Council as to the Commission. There is general support in our Committee on Energy, Research and Technology that we were given insufficient time to consider these very important matters.

The concept of coordinated Community activity in this field arises, Mr President, because information systems are developing on an international scale. The proposal aims at rationalizing systems in Member States, facilitating access to each other's systems and promoting a more economic use of resources which, I think, is very important. I am very glad that Mr Petersen has put in a reference to third countries, because undoubtedly there should be this safeguard against the proposed system developing in isolation from significant developments outside the

Lord Bessborough

Community. The Commission and the Council will have to negotiate separate agreements with third countries one by one, and I hope that they will start on this work as soon as the overall Commission proposal has been adopted.

I support Mr Petersen's amendment and I am very glad to see that Sir Brandon Rhys-Williams, on behalf of the Committee on Economic and Monetary Affairs, also gives a very favourable opinion on the two proposals. Again I would like to thank Mr Petersen.

(Applause)

President, I call Mr Cointat, to speak on behalf of the Group of European Progressive Democrats.

Mr Cointat. — (F) Mr President, may I speak in a dual capacity, both as draftsman of the opinion of the Committee on Public Health and the Environment and on behalf of the Group of European Progressive Democrats.

The Committee on Public Health and the Environment has been asked for its opinion on the report on research in the textile sector. The opinion it delivered was, of course, favourable, since the aim of the research programme was to reduce pollution and protect the consumer.

Speaking personally, I must say that, although this programme is indeed important and useful, it is essentially technical; so technical in fact that in some parts it is completely incomprehensible. Who for instance, understands what 'the fireproofing of textile fibres by radiation grafting' means? I know that members of parliament are supposed to be 'all-rounders' but they don't know what it is, and nor do I, as draftsman of the opinion.

The experts, too, are so confused that they are asking for appropriations just so that they can clarify their own ideas.

This is why, Mr President, I am reminding you that Rule 27 of our Rules of Procedure makes provision for votes without debate, and that the Bureau, and the Assembly, decided to adopt the simplified procedure last year. I would urge you to ensure that reports as technical as this one, however important they may be, are not allowed to hamper the progress of our work, since in my view they are purely a question of regulations. It would be much better if our Parliament was given real legislative powers, rather than having the chance to debate matters of this nature. As far I am concerned—and this is only a personal view—I think it would be more useful for Parliament to have legislative powers, than to discuss the election of representatives by

direct universal suffrage—although this may shock some people.

As for the other report, my group supports this fully: indeed, the rate of technical and commercial development is such that there is an urgent need to introduce practical measures in the fields of information and documentation. May I, on behalf of my group, extend my thanks and congratulations to the rapporteur, Mr Petersen. I have only one regret, which is endorsed by Mr Petersen and by other colleagues, notably Mr Springorum, and which relates both to this point and the programme of research in the textile sector: the time allowed to Parliament to consider the terms was so short that the whole idea of consulting Parliament is likely to become ridiculous. That is why I express the hope, on behalf of my group, that the Council will take note of the successive protests by the European Parliament, mentioned in paragraphs 5, 8 and 9 of Mr Petersen's report and paragraphs 3, 4 and 5 of Mr Glesener's report.

President. — I call Mr Normanton.

Mr Normanton. — Mr President, I am grateful to my honourable friend Lord Bessborough for mentioning the fact that he was leaving comments on the Glesener report to me to cover.

Before I do this may I first of all take this opportunity to extend a very warm welcome to Commissioner Brunner, and to wish him every success in his new appointment and earnestly hope that he will build up the same sort of relationship of closest confidence and cooperation which we, as members of the Committee on Energy, Research and Technology, in particular, enjoyed with his predecessor.

I would like to make a second point before I move on to the Glesener report. I wish to add a small caveat to the report by Mr Petersen. Lord Bessborough has covered all the comments relevant to this report, but I must place on the record a conditional welcome to the proposal of the Commission, because I have—and I must confess this—a natural long-standing instinctive reluctance to any expansion of administrative infra-structures, whether these be in industry or, worst of all, in governmental circles. They cannot be assessed, unfortunately, on a cost effectiveness basis and I would therefore ask the Commissioner, when he comes to reply to this debate, to give an undertaking to bring before this House, as Mr Petersen himself requested, not only to the Council but to this Parliament, say once a year, a full detailed statement on the implementation of the proposals contained in this document, the ways in

Normanton

which and the extent to which customer acceptance has been won and whether he has found it possible to establish closer cooperation with many similar institutions which exist throughout Europe, both inside and outside the Community.

And now briefly to the Glesener report. First of all I am sure, all of us would like to place on record our very great debt to our former friend and colleague, Mr Glesener, for the contributions which he made to the working of the Committee on Energy, Research and Technology, and hope that he will have very many happy memories of the friends he has made now that he has retired from this Parliament.

I don't think it would be right for us to lose a sense of perspective when we are discussing the proposals contained in the decision of the Commission to establish a programme of technological research in the textile industry. This is not a massive proposition. It is a very small one. But nevertheless, whether it is large or small it has a very special significance, and I think this Parliament should note it, and welcome it. The significance is that it represents an initiative by the Commission, at least in documentary form, in establishing an exercise in collaboration between a significant sector of industry and the Commission. The Community has had long-standing institutionally established relations with the iron and steel and the atomic sectors of European industry, but this is the first time that the consumer section of industry, the textile industry, has in fact been the subject of decisions on industrial research policy and I hope this point will be noted and recorded, because it is important.

The second point I would like to make is that we should congratulate COMITEXTIL which is the institution accredited to the Community, and is responsible for coordinating all the activities of all the many sectors of the European textile industry.

Although the Commission is to be congratulated for its initiative, the origins of this initiative almost certainly came from COMITEXTIL itself several years ago. And so here we have the successful outcome of representations channeled through a recognized institution, representing a major sector of European industry, being considered and evaluated very carefully and at last a significant part of those representations winning the support of the Commission. I would earnestly hope that COMITEXTIL which has been chosen by the Commission to be the agent for the implementation of these three research projects will be equally successful in promoting their evaluation and their further consideration

in the many industrial research institutions which exist in the private or non-state sector of industry in Europe.

The next point is that I would certainly support the programme contained in the Commission proposal and the financing arrangements which are of course a fundamental part of this programme. It is a very small sum of public money which is being made available and the fact that industry is making two units of account available from its own funds to complement each individual unit of account provided by the Community is extremely significant and is to be encouraged. It also shows that the Commission has recognized the importance of the research associations which exist in Europe. Their pre-eminence in certain specialized fields makes it desirable to utilize them for Community projects as opposed to repeating the kind of mistake which, for political reasons I believe, has been made in the past and establishing new Community research establishments such as Ispra. I am not faulting Ispra. I am pointing to it as an example of the way a political decision was wrongly taken. When that happens it is extremely difficult to correct. But the political decision in the context of the Glesener proposal was rightly taken. The proposal will undoubtedly concern institutions with a massive capability and their further development will be encouraged. Lastly, I would ask the Commissioner whether he is at this moment considering studying further proposals similar to this one and whether he is prepared to negotiate further proposals for development project financing similar to this one in the textile industry.

I hope this will be the first of many Community research and development financing operations, all of which must be based upon the closest possible collaboration between industry itself, bearing the main weight of the cost of this exercise, and the Community as a political entity. I am delighted, therefore, to give such support as I can as a Member of this Parliament and hope Parliament will approve the two reports which are on the agenda at this moment. *(Applause)*

President. — I call Mr Brunner to state the position of the Commission of the European Communities.

Mr Brunner, member of the Commission of the European Communities. — *(D)* I should first of all like to thank the House for the keen interest taken in this debate. It has provided considerable stimulus, and it is therefore a great advantage that so many Members have taken part.

Brunner

The Commission would also like to thank Mr Petersen for his report. We accept the proposal that an addition be made to Article 2, and we will submit an annual report to Parliament on the progress of work forming part of the plan of action. We will also endeavour to take account of the hopes expressed in the motion for a resolution. We believe that a standard language must be developed for the information network. On this point I would refer you to page 32 of the Commission proposal. In addition, we intend to have these questions studied at Ispra.

You have also raised the question of data protection. We must realize that there is one difficulty here: if our information network is to have a purpose, it must extend beyond the states of the Community. This means that it must be possible for third countries to have access to data we store, and we will therefore coordinate data protection measures with countries outside the Community as well as with the Member States.

During the debate the question of financing was mentioned, and I should like to give a brief explanation on this. Originally, we assessed financial estimates that had been drawn up by experts. These estimates were of course high. They were revised later; it was established by the agencies concerned that lower expenditure would be sufficient. We did not then cut back on the programmes; we decided to place some of the burden on national shoulders and to make a start with the feeling that the money might perhaps be spent more slowly here and there.

We had the feeling that the most important thing was to make a start. And I believe that this decision was correct. The high costs involved in this decision are justified only if useful results are achieved; in other words, we must see to it that research findings are quickly passed on to where they are needed. We must also—and this was said several times during the debate—ensure that results of research in the world outside the Community are also obtained. We live at a time when there is constant talk of exchange of information. The time has long since passed when the individual scientist or a single industrial undertaking could hope to obtain the necessary information without outside help. It is simply no longer enough to consult a catalogue or to glean some information from conversations with fellow experts. Today we need something completely new as well; the relevant titles, subjects, where possible a summary of the contents of scientific publications must be recorded and collected in such a way that they can be stored. We need such information stored in computers, and we need data banks which we can construct with

the aid of these computers. This is the only way we can accumulate the wealth of knowledge we need, and for this purpose there must also be constant improvement of communications between the various storage centres.

What we want to do now is to build an information network of this kind in selected sectors. We want progressively to develop comprehensive European information and documentation machinery, an information and documentation network.

At this point I should also like to thank Mr Glesener for the preparatory work he has done on the programme of technological research in the textile sector. The reports we have received on this from the parliamentary committees and today's discussion have helped us a great deal to make a political appraisal of this programme. And here I should like to join in what was said during the debate: it is very important that we re-phrase these things in a simple language so that the citizen finds them plausible. Much of what is happening in Europe today is simply no longer noted, and that is our fault. We have ourselves to blame because we have slipped into a kind of bureaucratic Chinese, making everything sound technical so that the citizen simply cannot understand, and if we do not ourselves provide a remedy, if we do not come to our senses in good time, we need not wonder why the doubts about the programme for European unification continue to grow.

I feel that you have said, on the textile research sector, a number of things that make it clear what we want. We want to encourage collective research in the textile industry, and we want the combined assistance of the staff, materials and finances of the undertakings in this branch of industry. We believe that this is a particularly rational type of research, since the medium-sized and smaller undertakings will also benefit. These undertakings cannot afford to conduct research independently. We must ensure that they are able to participate directly in joint research projects, and in this connection I regard as very positive the suggestion made by Mr Normanton that we should report on the reaction of customers in this sector and maintain contact with other institutions. Customers' reactions will of course be the acid test of what we want to do in this sector,

I should like to comment on a second point here. The Commission is not so presumptuous as to believe that it knows more than anyone else and can do everything better. The technical management and administration of research should therefore be placed in the hands of the professional organization of the textile industry

Brunner

in the Community. This organization will also provide two thirds of the costs. I believe that this procedure is new and will be beneficial since it has the advantage of shortening the path from research to practical utilization. We shall also adopt similar methods in other branches of industry.

I feel that I should add in conclusion that financing has raised a number of problems. The Commission originally assumed that it could use the reserves under Chapter 98 of the 1974 budget, which had not yet been spent. This has not been possible. We will now make available the required 70 000 u.a. from Chapter 99 of the 1975 budget. An application to this effect was made by the Commission to the Council's Budget Committee in December, and we have every reason to believe that this method of financing can be adopted. For 1976 and 1977 appropriations for the research will be entered in the draft budget.

Mr President, ladies and gentlemen, to conclude I should like to promise that I will do everything in my power to ensure that you do not have to work under pressure in the future, that you will have enough time to examine our proposals thoroughly. I hope that this promise has not been made to you by every member of the Commission in the past; if it has, I will try to be original by keeping it.

(Applause)

President. — I call Mr Giraud.

Mr Giraud. — (F) Mr President, may I make a short observation contesting Mr Normanton's remarks.

He seems to be calling the Community research institutes into question. I am not doctrinaire and I feel that one should not always be criticizing the Community institutes, and other institutes, especially those which may be bound up with a particular group or branch of industry. But what I wanted to say to Mr Normanton was that the worst possible thing is to set up Community institutions, to make them ineffectual and then to condemn them. Let us be honest with ourselves; if we want Community institutions, we must make them work. They should not be set up on a mere whim, but when they have been set up, they should not be sabotaged.

That is all I wanted to say. I should add that I am not criticizing the British Government.

President. — We shall now consider the motions for resolutions contained in the reports by Mr Helveg Petersen and Mr Glesener.

I call Mr Cifarelli for an explanation of vote.

Mr Cifarelli. — (I) I personally will abstain from voting, not because of the content of the two reports, but because I am worried about a trend which is becoming apparent in the method of submitting matters to Parliament.

We have here in both cases Commission decisions laying down multi-annual plans. The decision is a provision which once adopted permits the Commission to take direct measures without further consultation of Parliament; the Commission merely has to draw up annual reports, which become a routine matter.

It is my opinion that the spirit of the Treaties sees decisions as a political way of formulating policy. The binding instruments which the Treaty provides for are not decisions but regulations or directives. Therefore the use of the decision, even if in some cases it is a way of allowing certain measures to be taken, tends to deprive the instructions—and especially the Parliament—of the power to supervise, to criticize and to make suggestions.

For this reason, and with reference not only to the present proposals, but to the problem as a whole, I intend to abstain.

President. — I put to the vote the motion for a resolution contained in the report by Mr Helveg Petersen.

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the report by Mr Glesener.

The resolution is adopted.¹

Thank you, Mr Brunner.

15. Directive on the harmonization of excise duties on mineral oils.

President. — The next item is a debate on the report drawn up by Mr Pêtre on behalf of the Committee on budgets, on the proposal from the Commission of the European Communities to the Council for a directive concerning the harmonization of excise duties on mineral oils (Doc. 401/74).

I call Mr Pêtre who has asked to present his report.

Mr Pêtre, rapporteur. — (F) Mr President, ladies and gentlemen: as its title indicates, the purpose

¹ OJ No C 32 of 11. 2. 1975.

Pètre

of this directive is to harmonize excise duties on mineral oils. At the meetings at which they discussed this proposal, the members of the Committee on Budgets had the opportunity of putting questions to the Commission and submitting criticisms on the content and technical aspects of this plan, and also on its basic principles.

I must say straight away that as far as the basic principle was concerned the members of the committee were extremely sympathetic. Like the Commission, we feel that it is important to eliminate the distortions of competition that often result from the differences in taxation between one country and another. We also feel that this proposal is justified by Article 3 of the Rome Treaty, which expressly provides that the activities of the Community shall include the institution of a system ensuring that competition in the common market is not distorted. On this point, you will recall that in an investigation carried out in 1962 into the differences between the structure of public finance in the Member States, the committee on tax and Public Finance in the Member States stressed the importance of the harmonization of excise duties in creating a common market with similar characteristics to the internal market. The Commission, too, emphasizes this point whenever it submits proposals for directives on excise duties and related taxes.

I should also add that the reason the proposal for a directive on mineral oils seems important to the Committee on Budgets is not only that the yield from these excise duties is, in most Member States, greater than the yield from all the other excise duties put together, but also that the excise duties on mineral oils are a fundamental aspect of the budget, which in addition are linked to the basic problems of the common energy policy, as well as the common transport policy and its specific problems, the equitable taxation of energy products and the competitiveness of modes of transport.

We feel we should also point out, if only as a reminder, that it is not the first time Parliament has been asked to consider and pronounce on a proposal from the Commission for a directive concerning excise duties on mineral oils. There has already been a proposal for a directive on the harmonization of specific taxes on the consumption of liquid hydrocarbons for use as fuels; I refer to document 244/70, the rapporteur for which was Mr De Broglie.

Remember also the Commission's proposal to the Council on the introduction of a common system of rates to be charged for the use of transport infrastructures and Mr Kollwelter's report on the subject in 1971. I should mention, too, Mr

Burgbacher's report on the possibility of ensuring adequate energy supplies for the whole of the Community at all times.

At this point in the presentation of my report, I should tell you that the members of the Committee on Budgets, like your rapporteur, gave their special attention to the general considerations I have just mentioned and they all agreed on the need to harmonize excise duties on mineral oils.

They believe that the Commission's new proposal is a further step towards fiscal harmonization in the Community. It represents further progress in a difficult field in which as we are all aware, much remains to be done. Taking advantage of this opportunity, your Committee on Budgets once again deplored the fact that insufficient progress had been made in the field of tax harmonization and wished that the Community Institutions and the Member States would be more forceful and more determined in this matter. In view of the time, Mr President, I shall not dwell on this point any more, but I must stress that trade cannot be effectively liberalized in the Community unless import taxes and the remission of tax on exports are abolished, and also border checks; to achieve this, the excise duty rates must first be harmonized, and this in its turn required prior harmonization of the tax structures. This is what is involved in this case, Mr President, ladies and gentlemen.

Having made these few general observations I do not intend to revert to the technical aspects and procedures for implementation of the proposal, which are dealt with fully in the Commission's document to which our report refers extensively; in order not to exceed the time allowed me, I shall merely make a few brief comments on Articles 2, 10 and 11 of the proposal.

Mr President, Article 2 defines the field of application of the harmonized excise duty. It lists the products which are hydrocarbons and can be used as motor fuel or fuel. It also covers products used solely as lubricants. But although it includes these products in the field of application of the proposed directive, the Commission expressly exempts them from excise duty in Article 9, paragraph 2(a). We asked the Commission about this point, which seemed to be an anomaly. It appears from the Commission's answer that this article should be taken to mean that in theory the Commission considers these products exempt, although it permits excise duty to be charged on them on a temporary basis. The Commission also proposed that these transitional arrangements should be terminated at least by the time import taxes and tax remissions on exports in trade between Member States are

Pètre

abolished. We agreed with the Commission's arguments and after this explanation we are convinced that a complete list of dutiable products will make it easier to exercise effective control. We also feel that this taxation should be allowed only until tax barriers are abolished, as the Commission has proposed.

But as far as the possibility of varying rates is concerned, I must point out, on behalf of the Committee on Budgets, that pursuant to Article 10, Member States have the option of maintaining exemptions or reductions in the rates they apply, on the date this directive enters into force, to mineral oils used under fiscal control for air transport, internal or coastal navigation, coastal fishing or agriculture.

Mr President, your Committee on Budgets recognizes the validity of the arguments in favour of this provision, but takes the view that it should be reconsidered within five years of the entry into force of this directive, in case any changes have occurred in the interim. This seems fairly logical, since the Commission, which has told us that research is already being carried out in the sectors mentioned in Article 10, might consider the advisability of granting further exemptions in this field after this period, in the light of the results obtained (we are suggesting five years).

May I also comment on the procedures for fixing excise duty rates, as laid down in Article 11. This article makes provision for the variation of rates. Your rapporteur thinks that it also provides for the possibility of introducing zero rates. When considering this article, we found that the Commission had another, much more restrictive, interpretation, claiming that the article covered only the reduction of rates and exemption. But some of my colleagues in the Committee on Budgets agreed with me that the distinction the Commission makes between zero rates and exemption is a purely legal one. However, from the practical and economic points of view the effects are exactly the same. Apart from the question of whether one should use the term exemption or zero rate, the effect of a drastic modification of rates would be identical. Irrespective of this remark, Mr President, the Committee on Budgets proposed a slight amendment to the second paragraph of Article 11. This amendment serves to clarify the text of the directive, and specifies that these provisions apply not to private or individual users but to categories of users, which is quite different.

After this, Mr President, ladies and gentlemen, I have only to say that your Committee on Budgets is strongly in favour of the proposal for a directive, as it emerged from these discussions. We wish to thank the Commission once

again for its willingness to answer our questions on a matter which we fully appreciate is difficult and complex. The motion for a resolution which we are submitting to you, and our written report, have been unanimously approved by the Committee on Budgets. It is on the committee's behalf that I urge you to vote in favour of the report and I thank you in advance.

(Applause)

President. — I call Mr Scholten to speak on behalf of the Christian-Democratic Group.

Mr Scholten. — *(NL)* Mr President, on behalf of my group I wish to make a number of marginal comments on this draft proposal for a directive on the harmonization of excise duties on mineral oils and on Mr Pètre's report. The proposal has two aspects: it is part of a general process of tax harmonization in Europe but it also has a number of special features because of the clear links with other policy areas; I am thinking in particular of energy policy and transport policy—a point to which I shall return in a moment.

May I begin with a few remarks on the general process of harmonization of which this proposal forms part. In paragraph 2 of the motion for a resolution the Committee on Budgets has quite rightly expressed its disappointment at the slowness of progress towards tax harmonization. When your committee, whose rapporteur I must congratulate on his outstanding and expert report on this complex subject, produced this report, it did not yet know that the Council was to hold a meeting shortly before Christmas to consider tax problems—a meeting which gave scant results. No decision whatever was taken on the subject of excise duty harmonization—everything was postponed again.

No decision was reached on any of the important points contained in the sixth directive on turnover tax and, as it later transpired, there was no more than a political declaration of intent on the subject of tax fraud.

I therefore wish to ask Mr Brunner—and it is a great pleasure to have him with us today for the first time—what importance he attaches to this proposal in the context of general progress towards harmonization, including that of excise duties. What are his expectations regarding the rate of further progress in this area?

My second general observation follows on from the text of page 1 of the proposal which states, in respect of excise duties, that this form of taxation in the Member States must be harmonized in such a way that there is no distortion of competition. What do the words 'in such a way' mean?

Scholten

It seems that the aim of this harmonization is not total unification of these taxes but optimal harmonization to avoid any distortion of competition. This means that the Commission also admits that a measure of national freedom can be maintained in this area. I consider this a correct principle because if we wish to make headway with tax harmonization in Europe we must recognize that we cannot bring everything in all the Member States to a common denominator; on the contrary it is important for the Member States to retain a measure of freedom of action, precisely for the benefit of the harmonization we wish to bring about.

This proposal reflects that principle. I would draw your attention in particular to the exemptions of which Mr Pêtre has spoken in connection with Article 10. The Commission wishes to maintain a broad measure of freedom.

On the other hand I agree completely that harmonization of the main aspects of the structure of these taxes on mineral oils is necessary to create neutral conditions of competition. The documents show the extent to which structures in Europe still differ on many important points.

Mr Pêtre's report rightly mentions that harmonization of excise duties on mineral oils is rather different in its nature to, for instance, harmonization of excise duties on tobacco or beer. Firstly because of the much greater budgetary importance of this taxation in practically all the Member States and secondly because of the links with—for example—energy policy and transport policy. In this connection I am sorry that the Committee on Energy, Research and Technology alone was asked for its opinion and that the Committee on Regional Policy and Transport was not consulted on this proposal. I would emphasize the statement in the documents that levies on fuels and excise duties on mineral oils are of very great importance to the Community's transport policy. Excise duties on motor fuels are an essential instrument of a Community-wide system of payment for the use of transport infrastructures. There is therefore a clear link.

I should like Mr Brunner to tell us how he envisages the development of and relationship between these basic principles of policy. How do you expect to achieve parallel progress? Do you consider completely parallel progress necessary here or can tax harmonization proceed rather more quickly than harmonization in the area of transport and can there be differences in certain areas? To take a concrete example: we discussed not so long ago the question of a 50 or 100 litre fuel allowance in vehicle tanks and verification of this quantity at the frontiers. Why has this matter still not been settled? Must a decision on this matter now really wait until the

entire system of tax harmonization has been completed? I should very much like to hear Mr Brunner's views on this.

It is also quite clear that we have a long way to go still. Article 10 leaves much to be done; when it comes to exemptions, quite a few sectors—aviation, inland waterway navigation and coastal shipping as well as agriculture—are still not harmonized for the time being.

The question of the railways has come in for some discussion. The Commission maintains that the exemption can be retained because the public rail services generally determine and pay for the infrastructure themselves. The Committee on Budgets has pointed out, however, that large subsidies are paid to keep the rail services moving.

Mr President, in my view both parties are right. The Commission's argument is a reality and it is not to my mind countered fully by the views of the Committee on Budgets. I can therefore agree to the conclusion of both parties, namely that the existing situation should not be changed for the present.

I want finally to put two questions, the first of which arises from Article 12 concerning the colouring of mineral oils to prevent misuse. I was struck by the fact that page 7 of the Commission's document indicates the desirability of the Member States agreeing as soon as possible on the methods of colouring and colouring agents to be used. This, it is felt, would facilitate controls in the Community. Why then does the Commission not take the initiative in this matter? I thought it was very important precisely from the angle of tax fraud on which the Commission has already taken action (as shown in the last resolution) for the Commission itself to take the lead in achieving this aim to which I fully subscribe. Agreement is urgently necessary on this point. I think it is wrong and unnecessary to leave this to the Member States.

Finally I want to comment on Article 18. With reference to environmental charges this leaves open the possibility of not introducing harmonization. I consider this proposal essentially correct also, but in the long run it will not be sufficient because we must be fully aware of the fiscal aspects of the environmental problem. Eventually there must not only be harmonization of tax support measures in Europe but also harmonization of fiscal charges in this area, partly because the size of those charges might be greater than expected. I am, however, sorry that the Commission has not expressly indicated that it will accept the situation provisionally, while ultimately aiming at harmonization of environmental levies on mineral oils.

Scholten

My group willingly supports this proposal on the assumption that a start is being made on structural harmonization, after which the same procedure followed in the case of turnover tax will be applied to the tax rates. We are also grateful to the rapporteur and the Committee on Budgets.

(Applause)

President. — I call Mr Gerlach to speak on behalf of the Socialist Group.

Mr Gerlach. — (D) Mr President, ladies and gentlemen, I should like to join Mr Scholten in thanking Mr Pêtre for his report which covers all the aspects we discussed in the Committee on Budgets.

Not completely without justice, the rapporteur and Mr Scholten have pointed out that the problem with the harmonization of excise duties on mineral oils is essentially one of competition, which specifically affects the transport sector. I do not intend to repeat everything that has already been said.

I should, however, like to draw your attention to the fact that it is not only a question of transport policy and transport policy in the motor vehicle sector alone; basically, aspects of the energy policy are also concerned. This, I presume, was the reason why the Committee on Energy, Research and Technology did not forward an opinion as such to the Committee on Budgets, but instead stated that the Commission should be called upon to draw up a completely new proposal that took account of developments in the petroleum sector generally speaking.

I find this is an interesting aspect which is not reflected in Mr Pêtre's report because we did not receive the opinion of the Committee on Energy, Research and Technology early enough. But when you consider, Mr President, that it is increasingly becoming the custom to base energy costs on the cost of petroleum, then I feel that we are undergoing harmonization, but harmonization in a frighteningly negative sense. If the cost of the primary energy which we ourselves have is coupled—and we are doing this, and one Member State has done this in such a way that we can but ask whether it is in the spirit of the Community—to a product over which we and the Member States have no influence at all, we must in all seriousness ask, as the Committee on Energy, Research and Technology has done, whether this is right. I feel the Commission should be called upon to follow up this development, which I would describe as a negative tendency within the Community—in fact, for me it is a frightening one.

Even though we, the Socialist Group, generally approve the report, we do so with reference to the remarks made by Mr Pêtre in the explanatory statement. He has included everything in his report that was discussed in the committee, whose members have sufficient knowledge of the subject concerned. And on behalf of my group I must also ask the House to adopt the motion for a resolution tabled by Mr Pêtre. To repeat, I would urge the Commission to compare the part of energy costs made up by the price of raw materials with the tendencies becoming apparent in the Community to a greater extent than in the past and to put a stop in good time to the habit of basing our energy costs in the Community on what others, namely the oil-producing states, charge us. We should establish our own cost rate and not succumb to the dictates of the oil-producing countries.

(Applause)

President. — I call Lord Lothian to speak on behalf of the European Conservative Group.

Lord Lothian. — Thank you, Mr President, I shall be very brief. I would like, on behalf of my group, to associate them with the general welcome that has been given to this report which was so ably and lucidly presented this afternoon by Mr Pêtre. We have for a long time considered that the harmonization of duties on mineral oils should be one of the most important priorities of the Community, and therefore we are very glad indeed that this report has now been finally produced. I hope that, after the considerable delay already referred to by Mr Pêtre, quick action will now be taken in this field. The report deals primarily, of course, with the structures and not with the rates of tax and there will no doubt have to be a lot of further discussion on the question of rates when the time comes.

Now, Mr President, it is getting late and I do not intend to delay the House by going into any of the very complicated technical proposals contained in the report. They have been referred to by other speakers. They cover a wide field of activity, particularly in the field of transport and indeed of energy and we shall take note of what Mr Gerlach has been saying in this respect. Suffice it to say that, from the point of view of my group, the proposals contained in the report are in many respects broadly similar to the arrangements existing in my own country. Therefore I would like to repeat the welcome that we give to them and to hope very much that they will be accepted and put into effect with all possible speed. Thank you, Mr President.

(Applause)

President. — I call Mr Cointat to speak on behalf of the Group of European Progressive Democrats.

Mr Cointat. — (F) Mr President, my main purpose is to thank the rapporteur, Mr Pêtre. I endorse all the congratulations that have been expressed to him for his remarkable and painstaking work on a particularly difficult subject.

As far as my group is concerned, we shall certainly vote in favour of this report, welcoming this new step towards European cooperation and tax harmonization in the Community.

I also agree with most of the comments made by my colleagues.

I should merely like to draw the Commission's attention to a point which relates mainly to Articles 10 and 11.

Article 10 provides that Member States can maintain exemptions or reduced rates in a number of sectors such as air transport, coastal navigation, fishing and agriculture; Article 11 allows Member States to fix reduced rates or even zero rates at their discretion for all products other than those mentioned in Article 10. Thus, if a layman were to read these articles he might regard this as a contradiction, since Article 10 corroborates the existing system while Article 11 allows complete freedom in regard to the other products. This hardly seems conducive to harmonization.

When I raised this question in committee, I was told that one must have a flexible and progressive approach; everything could not be decided and harmonized all at once. But I should still like reassurance from the Commission. If it cannot reassure me on this point, I agree with what Lord Lothian said just now—this document will have no significance as regards the harmonization of the rates themselves.

President. — I call Mr Brunner to state the position of the Commission of the European Communities.

Mr Brunner, member of the Commission of the European Communities. — (D) Mr President, the report proposes 2 amendments. The first concerns Article 10, paragraph 1 of which states that Member States may maintain the exemptions or reductions in the rate for air navigation, internal navigation and coastal navigation, coastal fishing and agriculture as long as these sectors are not governed by Community provisions. It is now proposed that the exemptions and reductions in the rate should be reviewed after 5 years at the latest. The Commission is

able to accept this amendment. There is a second, a question of wording in Article 11. The term 'certain users' is to be replaced by 'certain groups of users'. The Commission also accepts this amendment.

(Applause)

Now, my notes tell me that there should not be any further problems during the debate in Parliament. I can only say this is a typical case of optimism. There have of course been a number of other questions, but again my notes say that it is, however, possible that one or other Member will raise the subject of the effect on prices of excise duties on mineral oils and the question of taxation of mineral oils as an energy policy instrument. This is an example of considerable foresight. It has in fact occurred, and I will try to answer these questions.

Firstly, it should be made clear in this connection that the question of taxation touches on the Community's energy policy as a whole, as well as environmental protection policy and tax-harmonization in the Community, in other words economic and monetary union. We must therefore view the questions that have been put in this context and try to work out an answer from that context.

I can assure you that the Commission wants every aspect of this question of tax policy, and in particular the question of excise duties and the change in value added taxes, to be discussed by the Council of Ministers in detail in the next few months. The Commission would like to see clear, political decisions taken on this point, which is essential to the continued development of Europe. At the beginning of this year the Commission had a discussion on the general policy to be pursued in 1975 and came to the conclusion that we must not let things ride, but must attempt to make progress towards economic and monetary union. It came to the conclusion in this connection that we should attach a special importance to tax questions.

You may therefore rest assured that the subject will be discussed, and we will endeavour to draw up proposals.

A second point that was mentioned concerned the freedom of the Member States to decide on tax structure and tax rates. There has already been an exchange of correspondence on this, and the relevant member of the Commission, Mr Simonet, has pointed out that the Commission's proposals leave a great deal of room for manoeuvre. On that occasion, he said that we were working on various energy policy initiatives and looking into the effect on prices of excise duties on mineral oils and the problems connected with using these excise duties as an energy policy instrument.

Brunner

As you know, the Council has not yet made up its mind on this question of a Community energy strategy. We cannot therefore at this stage bracket off tax policy aspects and give you a final answer. At this stage all we can say is that our proposals are flexible and leave room for manoeuvre, and that we do not want to prejudice anything.

The third point that was raised was the question of the connection between tax questions and the Commission's policy; I can only stress what I said at the beginning: we must see to it that we develop a tax policy concept which is a component of our energy strategy and at the same time smooths the path to economic and monetary union. Where economic and monetary union is concerned, this is no longer the time for phased plans with very idealistic notions and a grand objective; now is the time for ensuring that practical steps are taken towards economic and monetary union, and in this, tax policy—which, of course, also covers excise duties on mineral oils—plays a special role.

Another question raised concerned the connection with transport policy. Here again the Council must reach clear decisions. In particular, we must take account of the question of wear and tear on transport routes and charging for this wear and tear, and again decisions must be taken. Only then will we be able to pursue an effective policy of tax harmonization. So the problem here is also the connection with transport policy on the one hand, what still needs to be done by the Council on the other, and the urgent question of speeding up the procedure.

For this reason it is a good thing that you have raised these questions, since it shows that the Council must not allow these matters to rest any longer, otherwise we will have a considerable backlog and in the end what Mr Gerlach said he found frightening in his remarks.

We have a situation in which we cannot develop our own concept as regards what we should base costs on. It is quite natural that there should be a common initial reaction in this first stage, in which we have been confronted with the petroleum prices. But we should not leave it at that, but ensure that our own energy concept allows for any eventuality so that we are able to act as the guiding force. Mr Gerlach was quite right to say that we must not allow the situation to dictate to us in his question. We must make sure that further progress is made in the field of alternative sources of energy. We must achieve clear results in the research into altern-

ative sources and the economic shaping of such research. In the last few days I have forwarded to the Council a programme for the energy research sector and hope that it will take a decision by March at the latest in this question, which is closely connected with the Community's energy strategy as a whole. A decision of this kind would give us a breathing space again. But let us not deceive ourselves; these are long-term questions. In the first stage, in which we now find ourselves, the automatic reaction is of course predominant, and the automatic reaction is not always the best adviser in politics.

A question was raised on dyes, which are mentioned in Article 12, and my answer is that the Excise Committee provided for in Article 16 will be discussing this problem. This committee must firstly reach a definite conclusion on the basic question of the structure of excise duties, and then it can discuss technical questions such as dyes on the basis of its conclusion.

The last question was whether the Commission had any ideas for using tax policy as an instrument of environmental protection policy. The Commission is familiar with this problem. It is at present looking into it, and I do not exclude the possibility of some of the thoughts expressed by Mr Scholten today playing a part in the very near future.

(Applause)

President. — Thank you, Mr Brunner.

Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

16. *Agenda for next sitting.*

President. — The next sitting will be held tomorrow, Tuesday 14 January 1975, at 10 a.m. and 3 p.m. with the following agenda:

— Report by Mr Patijn on elections to the European Parliament by direct universal suffrage.

I would draw to your attention the fact that, in view of the importance of this debate, the list of speakers will be closed at 10 a.m. tomorrow.

The sitting is closed.

(The sitting was closed at 7.20 p.m.)

¹ OJ No C 32 of 11. 2. 1975.

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IN THE CHAIR: MR BERKHOUWER

President

(The sitting was opened at 10.15 a.m.)

President. — The sitting is open. At the request of the Christian-Democratic Group the sitting is beginning a little later than planned.

1. *Approval of the minutes*

President. — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes of proceedings are approved.

2. *Convention introducing elections to the European Parliament by direct universal suffrage*

President. — The next item is the report drawn up by Mr Patijn on behalf of the Political Affairs Committee on the adoption of a Draft Convention introducing elections to the European Parliament by direct universal suffrage. (Doc. 368/74)

I would remind the House that it was decided yesterday to allot speaking time in this debate according to certain rules which have been brought to your attention and are recorded in the minutes of proceedings of yesterday's sitting.

On behalf of all those present, I am pleased to welcome Mr Dehousse to the House this morning. In 1960 he was rapporteur on the same subject. *(Applause)*

I call Mr Scott-Hopkins for a procedural motion.

Mr Scott-Hopkins. — Mr President, I have no wish to hold up the proceedings, but may I ask your guidance? I understand the importance of this debate and I understand the necessity of this debate to be as widely known throughout our Community as possible, but is it really necessary to have so many of these gentlemen in the middle of the Chamber? It makes this not a debating chamber but something entirely different, and I suggest that some form of compromise be arranged by yourself with all these gentlemen of the press with their lights and so on. Perhaps it can be done a little more discreetly. Our constituents throughout the Community must know what we are saying on this very important matter, but this is really going too far.

President. — Mr Scott-Hopkins, these gentlemen will only be here for a short time. Furthermore I shall ask then as far as possible to film the whole Assembly, but for not more than 15 minutes at the most.

I call Mr Patijn, who has asked to present his report.

Mr Patijn, rapporteur. — (NL) Mr President, in May 1960 the European Parliament met for three days in order to establish a draft convention introducing direct elections of Members. Now, almost 15 years later, we are devoting only one day to this.

Has our interest in our own elections diminished since then? By no means—indeed, quite the reverse is true. The need for European elections is greater today than ever before. I shall return to this point shortly.

In 1975 we can build on the great amount of work that has been done in recent years, and can take up the thread where it was left off. Without delving too far into past history, I would nevertheless like to recall a few names to memory. First and foremost there is Mr Dehousse, whom you have just mentioned, Mr President, and who performed excellent work in 1960 as chairman of the Working Party on European elections, and was also the Political Affairs Committee's rapporteur on this matter until 1970.

As your rapporteur, therefore, I have great pleasure in welcoming the 'father of European elections', here today. Mr Dehousse, your presence is a source of stimulation to me as your 'son and heir' in this matter; you and I will know by the end of the day whether I am a prodigal son or not.

I should also like to mention the other members of the 1960 Working Party and I would draw your attention to the fact that three of them, Mr Faure, Mr Poher and Mr Schuijt, are still members of our Parliament.

Finally I should remind you of the great amount of work which my predecessor Mr Lautenschlager has done as rapporteur. I have profited enormously from his experience, and he will shortly present an extremely valuable opinion in his capacity as rapporteur of the Legal Affairs Committee.

All that had already been written and said about European elections thus greatly facilitated my task as rapporteur of the Political Affairs Committee. On the other hand it also made it more difficult. Firstly, three new Member States have joined the European Communities and an almost completely new generation of politicians

Patijn

has grown up. In addition, I knew that the Council has hitherto never managed to reach any decision on direct elections of Members of the European Parliament.

Thus, the political climate was somewhat uncertain when I took on this task in autumn 1973. Was the European Parliament once more going to draw up a detailed draft convention which would find its way into the Council filing cabinets, never to be seen again?

However, the Heads of State and Government surprised us at the Paris Summit in December with their statement that direct elections to the European Parliament should be introduced as soon as possible. True, two delegations had reservations, but the majority of governments have now approved the principle of European elections. The Council is waiting for our proposals, and as far as your rapporteur is concerned, the Council can start its work tomorrow and complete it very swiftly. If the Council again wants to take 15 years to reach agreement, it can certainly spend a whole year on each individual article proposed. But I would stress that the proposals on which we shall vote today and the political climate which emerged at the last summit make a rapid decision possible.

The need for a rapid decision was constantly in my mind when I was formulating my proposals. Like the 1960 rapporteurs, I worked from the premise that a speedy decision on European elections was of vital importance. Consequently I had to exercise considerable restraint with regard to the evolution of a uniform procedure. Anything which need not absolutely be decided today has been deferred for consideration in the context of the uniform electoral system which the European Parliament itself will have to work out. I decided to work in this way for very specific reasons. During my extraordinarily useful and informative tour of the capitals of the nine Member States, almost everyone I spoke to recommended that we should first organize the elections on the basis of national rules and the rest would follow. The Political Affairs Committee and the Legal Affairs Committee share this view.

The real political significance of direct European elections lies not in the extent to which they are uniform, but in the fact that they are held at all. Opponents of direct elections have been telling us for long enough that the European Parliament must have power before it can be directly elected, while at the same time withholding these powers from Parliament on the hypocritical grounds that we are not directly elected.

The European Parliament must break this vicious circle and make it quite clear that the one does not depend on the other. Of course we must continue to fight for increased powers—particularly legislative powers—for the European Parliament, but that is a very different question from whether we will meet shortly as representatives of the people, with a mandate from the peoples of Europe rather than from our national parliaments. Once we have acquired legitimacy by virtue of our direct link with the European voters, we shall have an even more legitimate right to demand that the governments grant us powers.

There is an additional, very practical point. Unless we are released from the burden of our dual task, i.e. our duties to our individual countries and to Europe, we in the European Parliament will remain amateurs. We perform our legislative and supervisory task in Europe only when our duties to our national parliaments or our constituencies allow. The major part of our responsibilities is still at home, and we can only carry out our task here by dint of excessive efforts and at the expense of our families and ourselves.

This must stop. The development of the European Community requires professional parliamentary control. European elections are an aid to this and no more.

If, with the vote on my report this evening, we take a further step on the long and difficult road to European elections, it will not be an occasion for jubilation, since it will mean that we are again submitting proposals to the Council which, in 15 years, has done nothing about European election. We shall therefore have to make it very clear to the Council that we are not prepared to tolerate another delay of this kind. We shall insist that the Council adheres to the terms of the communiqué issued by the Paris Summit, i.e. a decision in 1976 and elections in 1978.

The European Parliament will therefore begin work tomorrow on a threefold task. Firstly, we shall have to put pressure on the Council in the immediate future to compel it to take a swift decision on direct elections to the European Parliament. The European Parliament must not and cannot tolerate another 15 years of unbroken silence on the part of the Council.

Secondly, the European Parliament must consider the uniform electoral procedure. I have learned from my experience over the last year that Parliament here faces an enormous task which involves a great deal of responsibility and which we must tackle without too much delay.

Patijn

Thirdly, we must prepare for the first European elections. Your rapporteur feels this is an exceptionally important task. We must make it clear to our political parties that they have to think seriously about what they want from the European elections and how they see the development of European politics, since their views on this can vary greatly in accordance with their different principles. Above all, however, we must prepare the peoples of Europe and explain to them the whys and wherefores of our work in the European Parliament, not for our own sakes, but for theirs.

To conclude, the report we are discussing today is only a beginning. We will be dealing for a long time yet with the question of direct elections to the European Parliament and, of course, with the related question of the powers of the Parliament. We must have no illusions: no one simply by virtue of European elections is going to hand us powers, or legitimacy on a plate. We ourselves must fight for them. But anyone who hopes and believes, as I do, that the European Community will be able to do something for our peoples must be prepared to make great efforts to achieve democratic control and, therefore, the direct election of the Members of the European Parliament.

(Applause)

President. — I call Mr Lautenschlager, draftsman of the opinion of the Legal Affairs Committee.

Mr Lautenschlager. — (D) Mr President, ladies and gentlemen, under Article 138(3) of the EEC Treaty and the corresponding provisions of the ECSC and Euratom Treaties, the European Parliament must submit to the Council of Ministers a draft convention on direct elections to the European Parliament. Parliament fulfilled this condition as early as 1962, and it is a modified draft convention which is to be adopted today. It should be pointed out that Parliament certainly cannot be reproached for this twelve-year delay. It must, however, be said that in spite of the great importance of the discussions on a draft convention introducing direct elections to the European Parliament, the Bureau was unable to shake off the self-imposed restrictions of the division of responsibilities—for instance, the Legal Affairs Committee should have been asked to advise on a whole series of legal matters. It was only after a suggestion to this effect from the Legal Affairs Committee that the Bureau decided, on 13 November 1974—i.e. after the Patijn report had been adopted by the Political Affairs Committee on 7 November 1974—to ask the Legal Affairs Committee for its opinion as well. The result of this is that

the House is now faced with two reports, which certainly does nothing to make our deliberations simpler.

The Legal Affairs Committee first of all studied the question of continuity, in other words it had to see whether, after the Convention came into force, the outgoing Parliament was automatically dissolved under Article 138(3) of the EEC Treaty, or whether it would remain in office until the new Parliament—i.e. the directly elected Parliament—met. The terms of reference of the outgoing Parliament in the Treaty were so imperative that we came to the view that it was essential to have an uninterrupted transition to the directly elected Parliament. This requirement is satisfied by Article 15 in conjunction with Article 10(3) of the Draft Convention. It also means that the national parliaments retain the right to fill the seats allocated to the individual Member States in accordance with the old procedure.

The next point studied was the seat distribution. It must be pointed out in this context that the seat distribution laid down in Article 138(2) of the EEC Treaty in the version for the Treaties of Accession is linked unequivocally and exclusively to Article 138(1) of the Treaty, so that any convention on direct elections to the European Parliament must also contain provisions regarding the distribution of seats. The actual number of seats will doubtless be discussed in the context of the proposed amendments to the Patijn report.

One of the greatest problems over the years has been the uniform electoral system. It is understandable that each Member State felt its own system was best and tried to have it accepted by the others. To escape from this impasse, it was essential to study whether the term 'uniform' necessarily referred to an entire system. Since all Member States profess their allegiance to democracy, in other words to a form of government in which the people is the source of power, there is a guarantee that by means of elections the people can make its views effectively known on political decisions. This, in turn, means that all the electoral laws in the Member States satisfy the five minimum requirements for democratic elections: they are free—as are all citizens—, they are equal—we do not have an electoral system based on classes—, they are secret, they are direct—no electoral college is involved—and they are universal. These were the criteria on which the Political Affairs Committee agreed as being covered by the term 'uniform'.

The harmonization of the national electoral laws will then be undertaken by the directly elected Parliament, as provided for in Article 7(1) of

Lautenschlager

the Draft Convention. The national laws will also apply to the other procedural aspects in the first direct election. Only the timing of the election, the period of the mandate and verification are settled in the Convention. This last item was necessary since the national electoral laws are not subject to supervision by the European Court of Justice.

Almost the longest time was spent by the Legal Affairs Committee on the combination of the mandates in the national and European Parliaments. After a thorough debate, it decided to accept the proposal to allow the dual mandate for a transitional period, while rejecting it in principle. Mr President, I myself and the speakers for my group will be making further comments on this aspect in connection with the amendments tabled on this point.

The number of seats was also the subject of a detailed debate in the Legal Affairs Committee, and we finally decided to submit the amendment which you have before you. Essentially, the Legal Affairs Committee saw no need to base the Parliament on principles of maximum representation, in other words to lay down a representative size, but felt that, as Parliament could still be enlarged if need be, it was better to avoid laying down a size which could not be changed at a later date. We must also remember that we have applications from potential member countries and that their representatives would have to be added to this figure, with the result that Parliament might become so large that its work would be affected. That was all I wanted to say as spokesman of the Legal Affairs Committee for the time being—more when we come to move the amendments.

The transitional period proposed originally is no longer contained in the Convention. There have been so many political changes in the meantime that there is really no further need to discuss it.

The remaining paragraphs of the report by the Legal Affairs Committee concern legal questions dealing with the further processing of the Draft Convention after its approval by Parliament. We reached the conclusion that if the Council of Ministers wishes to make any changes to the Draft Convention in the form approved here today, Parliament must always be consulted. There must, in other words, be cooperation between the Council of Ministers and the European Parliament, since the right of initiative for Parliament laid down explicitly in the Treaty requires that Parliament must be consulted right up to the very last minute, i.e. until approval by the Council of Ministers.

We could also deal here with the action against the Council for failure to act, but this would

probably take too long today. Ladies and gentlemen, you know that Parliament looked in to this question a long time ago—it must be about six or seven years—, but that it decided not to bring an action against the Council of Ministers before the European Court of Justice for failure to act, since the then-current strict interpretation of the provisions of the Treaty forced Parliament to drop the action it has planned. Since then, there has been a change of attitude in all the Community institutions, and we feel that an action for failure to act would now have some prospect of success—at least as regards its admissibility. We hope, however—and I must emphasize this as strongly as possible—that the Council of Ministers does not allow things to go so far that Parliament is obliged to bring an action against it for failure to act.

Mr President, our debate today should also be used as an occasion to point out to the Council of Ministers and the governments of the Member States that the direct elections to a European Parliament are not intended to represent the final stage of development, but that, alongside this—although, as Mr Patijn has just pointed out, not necessarily linked to it—there should be an extension of Parliament's powers and responsibilities. Budgetary powers stand at the top of the list, along with some form of involvement of the European Parliament in legislation and the granting to the European Parliament of a right of initiative in the creation of European law. This is something which must not be forgotten. If our interpretation is correct, it is one of the points contained in paragraph 12 of the Summit Conference communiqué, and it is now up to the Council of Ministers to satisfy this most pressing wish of the European Parliament. Mr President, it is the opinion of the Legal Affairs Committee that the European Parliament is today taking one of its most important decisions, and it would be a good thing if this decision were backed by a convincing, indeed an overwhelming majority in the final vote this evening.

(Applause)

President. — Ladies and gentlemen, I think it would be a good thing for this very important debate to be publicized as fully as possible throughout the Community; hence the presence of television,

(Applause from the Socialist Group)

to whom I have given instructions that all the institutions and all the parties should be given the most objective possible coverage. This will happen once or twice again later in the debate when we get round to voting. I hope everyone is satisfied with this arrangement.

President

I call Mr Ortoli, whom I congratulate on behalf of us all on being reappointed President of the Commission of the European Communities.

Mr Ortoli, President of the Commission of the European Communities. — (F) Mr President, first of all I should like to thank you for your kind words. I am pleased to be re-elected at a time when we are debating a subject which is of major importance for Europe. If we do indeed succeed in implementing the Treaty to the full, in other words investing Europe with real power, we shall have effected a decisive change in the coming years by moving from the first preparatory phase of European construction to the establishment of the real Europe. This is why as a European and as a democrat I find this conjunction between the renewal of my mandate as President and the prospect of direct elections to Parliament most felicitous.

Mr President, the fact that Parliament is today deliberating on the direct election of its Members reflects a positive and very significant development. In spite of doubts, in spite of persistent threats, Europe seems to be moving in the right direction, at least as far as its democratization is concerned. For thirteen years, since 1960, when Mr Dehousse—whom I am glad to see here today—produced his report, the objective of election by universal suffrage has been one of your and our constant preoccupations, but has disappeared from the priorities of our governments. The work of your Political Affairs Committee and the Draft Convention presented by Mr Patijn on renewed bases, which take account of the new factors involved in the construction of Europe and in particular the enlargement of the Community and the opportunities offered by European Union, thus reflect a very substantial change of attitude. We know—and the events of 1974 have only reinforced this conviction—that the difficulties and the challenges facing Europe are leading, for reasons both of principle and necessity, to prospects of progress in the institutional field, in particular in the direction of greater European democracy. Indeed, in the period of confrontation with world problems which is ahead of us I do not believe that we shall succeed in convincing our peoples that Europe is both a necessity and a refuge unless they feel a greater sense of participation in this great undertaking.

But it is particularly essential that we should henceforth not be the only ones to share this feeling. While for years the governments of the Member States have shown obvious reluctance to take concrete steps towards direct elections to your Assembly, the Heads of State and Government at their recent Paris Summit have, in a decision of major political significance,

fixed dates, laid down objectives and provided a very profound and very powerful impetus. Parliament's role in this must not be underestimated. I am convinced, for instance, that the quality of the work done by your Political Affairs Committee and in particular the logical and realistic character of Mr Patijn's draft played a great part in the developments leading to the results of last December. This is also true of the pressure which the Commission has untiringly brought to bear, both in public and in private, and the desires and preoccupations which I myself expressed clearly at the Summit.

But we must also admit that the political leaders of our countries have succeeded in giving concrete form to the general feeling that it is not only possible but necessary to open up the way to institutional progress in Europe. For me this illustrates the usefulness of meetings between Heads of Government—which I, like many of us, sometimes have my doubts about, as you know—when they are properly prepared and centred on a limited agenda. They are a way of introducing major political initiatives without the protracted debates and risk of bogging down which characterize other gatherings. The problem of how to implement these policies remains. Mr Patijn said this quite clearly. I do not underestimate the difficulties involved, nor am I unaware of the reservations expressed by two Member States as to the conclusions of the Heads of Government. But I believe nonetheless that this is an important step forward.

Europe is advancing towards a new institutional equilibrium on a democratic basis. There is a logical link, which cannot be denied, between the election of Parliament by universal suffrage and the whole question of the European institutions. To envisage the direct election of your Assembly amounts effectively to raising the problem of Parliament's legislative powers, given its added political weight and, ultimately, to anticipating developments towards European Union and the general institutional equilibrium it will bring about. From this point of view the Paris communiqué represents the first brick in the construction of European Union.

It is self-evident that the thinking and the work which have been going on in recent months will have to be continued and intensified if this logical sequence of ideas is to be converted into an overall strategy. This will be a difficult task, we must not pretend it won't; I myself can already see difficulties and dangers. The greatest hazard is foolhardiness, and we can avoid this only by maintaining maximum flexibility in our overall strategy, in order to avoid the creation of formal links between the various aspects of institutional development in Europe, which could lead to political stalemate.

Ortoli

In other words I hope that, while keeping this overall strategy in view, we shall be able to achieve specific aims—and the direct election of Parliament is one of the most important—without seeking to lay down every detail of the construction beforehand. Otherwise in fifteen years' time we shall find ourselves thanking Mr Patijn and telling him that he did a very good job and that now at last we can get down to doing something concrete.

(Laughter)

We must also avoid the danger of over-bureaucratic preparation and thinking. The Community's institutions are now faced with a series of deadlines in respect of certain commitments. For 1975, the approval by Parliament of a draft convention, the submission of a report on European Union by each of the institutions, and the preparation of a comprehensive report by Mr Tindemans; for 1976, action by the Council on your proposals; and for 1978, the first direct elections to Parliament. These different procedures form part of a whole; the development of a new institutional system for Europe. This must be part of a process of creation and ongoing reflection, and cannot under any circumstances eliminate the powers of any of the institutions, or remove their right to make proposals and to intervene at any time. Procedures make it possible for ideas and initiatives to be channelled in a useful direction. They must not become sterile straitjackets impeding the spontaneity and popular enthusiasm which are essential to the success of such an ambitious enterprise. However, I can understand that the closeness of the deadlines, in particular 1978, may cause a certain amount of confusion and anxiety. In my opinion such fears are legitimate, for time is short, but we must not be paralyzed by them.

Let us not be frightened by our own boldness, for one thing is certain, the creation of a cumulative process, a dynamic interlinking of the institutions can only be beneficial for Europe.

It is difficult at this stage to say any more about the form and content of the final edifice of which the election of your Assembly by universal suffrage will be the foundation stone. I myself believe—though this is at the moment no more than a personal opinion—that a strong executive with wide powers and adapted to the requirements of modern government is a natural counterpart to a Parliament elected by the citizens of Europe. This, however, is no more than a preliminary judgment.

On the other hand, I am fully convinced that the policies decided at the Paris Summit

symbolize the return, after the doubts of 1974, to a more constructive state of mind. The somewhat absurd debate which took place for a certain time between the advocates of progress through institutional developments and those who put economic and monetary recovery above all else, seems to have been settled satisfactorily. There has been a salutary awakening, as I said a few moments ago. We have reached a point today where the reality of Europe, the problems it must face and the realization of our ambitions require a step forward at the institutional level.

This is why I am pleased that, despite the present crisis in Europe, despite the pressures of external payments, inflation and unemployment, those in the highest positions have shown ambition and real political courage, inspired by forward-looking ideas on the institutions, and have put Europe back on the right path, the path of integration, by confirming and completing the European project born of the Treaty of Rome and put into focus at the October 1972 Summit.

This does not dispose of all the problems, nor does it remove all my doubts about European initiatives which smack too much of inter-governmental collaboration. But today we are discussing a subject which allows room for hope rather than doubt.

This path towards European integration has been rediscovered by the Heads of State and Government in another, and perhaps more significant way, for their stimulus relates to the democratic ideal itself, which is part of the common inheritance of our nine countries.

For the first time, indeed, the goal of European Union is being approached in a concrete manner via the route of universal suffrage. This is not only of symbolic but of considerable practical significance, since it represents a commitment to build the new European institutional system in accordance with democratic principles. It seems obvious to me that this essential element cannot be ignored in the final construction.

This is an extremely significant step, since excessive stress on the technical aspects of building Europe could lead to the fundamental requirements of democracy being disregarded or at least undervalued.

The fact that democracy is the primary objective of the new Europe seems to me to have a further significance. The fact which the Europe of tomorrow will present to the world will be that of democracy, which represents not only its most precious asset, but perhaps its most original one, too, and which, in a world in upheaval where individual rights and liberties

Ortoli

are so often trodden under foot, perhaps best portrays its identity. In short, the setting-up of democratic machinery is unarguably the best way to start building Europe. It means setting in motion important dynamic forces, which must play, and I believe will play, an extremely positive role in the subsequent construction of Europe by strengthening its legitimacy and hence the impact of the initiatives taken in its name.

You are right about this, Mr Patijn. You spoke of Parliament's legitimacy, but it goes further than this; it is the legitimacy of Europe which is involved vis-à-vis its peoples, insofar as its peoples are democratic peoples. They will be tomorrow, because direct elections to Parliament will place the citizens at the very heart of Europe and forge the strongest possible bonds between their views and resolve and the construction of Europe.

But already there are bound to be positive aspects and positive effects, as the impending prospect—1978 is tomorrow after all—of elections to the European Parliament by universal suffrage must help to give a purpose and a more specific direction to our present efforts to overcome Europe's economic and social difficulties. The policies decided at the Paris Summit must get things moving and convince our citizens that the measures proposed or undertaken at Community level are aimed at helping them to control a destiny which is their own, and in the determination of which they will shortly be very directly associated.

I hope I have not been misunderstood and that my words will not be thought over-optimistic or over-triumphant. On the contrary, this is a time of struggle. I speak as a man who recognizes the added responsibilities which henceforth are his and those of the Commission. responsibilities which require us to do all we can to give form to the forward-looking ideas stated in Paris, and which also require us to justify the confidence we have asked others to have in us by performing the particularly heavy tasks which we have accepted in the Community in its present form.

The reassuring prospects for the future cannot indeed absolve us from the often thankless and always difficult work of the present. And the present already consists in bringing about the future, in other words in obtaining rapidly the decision of the governments on the Draft Convention which you are about to vote on, and in setting in motion in the very near future the process of democratization required by the Treaty.

Although I have spoken for longer than the rapporteurs, which is unusual, I should like to

add a final comment. The matter we are dealing with today—the presence of television cameras has shown this—has a prime virtue: it has enabled us to turn to the peoples of Europe and tell them a little more about the type of future and the type of institutions which will be theirs. But I think that one of the things—and this will be my conclusion—which we must do straightaway is to bring the struggle out into the open. Since we are going to have elections, we hope, in three years' time, there must be a greater effort to arouse public interest, the impact of Europe must be much more powerful. I think this idea of democracy, this profoundly creative perspective must be presented properly, for Europeans will have to vote for Europe, and they must therefore be encouraged to understand that the Europe they are being offered will open the way to a real debate about democracy in Europe and about Europe itself.

You may rest assured that the Commission is absolutely determined, now that Europe seems to be back on the rails again, to engage openly in this struggle to win over public opinion and to convince our peoples, confident in the belief that the essence of Europe is that it is a democracy.

(Applause)

President. — I call Mr Klepsch to speak on behalf of the Christian-Democratic Group.

Mr Klepsch. — (D) Ladies and gentlemen, let me begin by saying that my Group is glad that we have been able to reach a decision in Parliament and to submit this proposal so soon after the Summit gave us the green light. I should like to extend my sincere thanks to all those who worked on this Draft Convention, and particularly to Mr Patijn for the expertise and experience which he provided and for his efforts to produce a proposal which Parliament will be able to approve by the largest possible majority.

My Group is able to support all sections of the report of the Political Affairs Committee. There are two points on which my Group has slightly differing views, and I shall return to these later. The main thing as far as we are concerned, however, is that we have now found a starting point and have been provided with definite dates which give us an opportunity to take the great step forwards towards the creation of a European Parliament elected directly by the peoples of the European Community.

We remember the continued efforts of Parliament to accomplish this task. The rapporteur referred to them in his introduction, and I

Klepsch

shall therefore not dwell upon them. I should like to state most emphatically that the occasional criticism of this Parliament—levelled even by people in the highest quarters—that it did not recognize its duty and was not acting as a driving force and initiator in the very field of achieving greater influence for the peoples through their parliamentary representatives was always misplaced. This Parliament has tried to press forward at all times and with all the means placed at its disposal.

The old argument—powers or direct elections—has, I feel, now fortunately receded into the background. It is the old question of which comes first—the chicken or the egg. We at any rate are convinced that, once the decision in favour of direct elections to the European Parliament has been taken, the question of Parliament's powers will be the subject of more intensive deliberation and that by the time the directly elected Parliament meets for the first time considerable progress will have been made in this question.

Ladies and gentlemen, it is precisely in the context of the process of democratization that a directly elected European Parliament is a dominant factor. In years past, we have rightly been increasingly critical of the fact that there is a widening gap as regards opportunities to influence and supervise measures taken by the Council of Ministers outside the provisions of the Treaty, since the national parliaments have relinquished more and more powers. They often do not fully realize the extent to which they no longer have a say in matters, but we here see very clearly that this lacuna in democratic supervision, of representation of the will of the peoples, must be eliminated. This, I believe, was why the Summit realized that the step towards a directly elected European Parliament had to be taken. One of the aims of this Draft Convention is in fact to ensure that the legitimacy of the European Community is enhanced, so as to make the path towards European Union smoother. Ladies and gentlemen, there is no doubt that this decision represents a departure which will lead to a new quality for this House. When approving this Draft Convention, it must therefore be pointed out that we are not aiming at half measures, that we don't just want to take half a step forwards in order to achieve the improved status of a more or less consultative assembly and work towards the final aim of a genuine Parliament in easy stages. In our debates today and in the deliberations in the months to come, we must bear in mind the aim of creating a fully effective European Parliament. Direct election of the Members provides direct access. Whereas our work of representation has previously been determined by the national par-

liaments, there will now, after the first European elections, be a direct relationship between electors and elected, between the Members of this House and the citizens of the European Community, the individual members of the peoples who form the basis of this Community.

Having stated this principle, I would add that in my view the future, directly elected European Parliament's main responsibility will be to preserve an overall view, to focus attention on the interests of the Community as such, and to ensure adequate representation of our peoples and the regions.

One of the features of this responsibility is that questions which have to be left out of this Draft Convention are of particular importance. If we envisage having European elections in 1978, it is clear that, in order to develop political resolve, the political forces—and the Groups in this House represent a starting point in this respect—should be established at European level in such a way that the electors of the European Parliament are given an opportunity to choose between different political credos and to determine the course of European politics.

I therefore believe—and although this cannot be incorporated in a draft of this kind, it is nevertheless important for future work—that we must start coalescing European political forces and give them clearer expression than before.

We have the job of electing a Parliament for this Community. I stress this point because the question of the future enlargement and growth of the Community is, of course, an interesting one. At present, nobody can say when and how this will come about, apart from the case of the Association agreements, which include provisions for the attainment of full membership. I am therefore somewhat disappointed that the Legal Affairs Committee, when enumerating potential member states, omitted to place the main emphasis on associated countries and peoples linked to us with a view to full membership. We must avoid entering the realm of speculation and regarding even countries which have just declined membership, Norway for instance, as being immediate candidates.

I should like to say that it is difficult at present to tell how large the Community will be. Naturally, we all hope that if possible, all democratically organized states and also those which may become completely democratic, such as Spain, may one day join the European Community. At the moment, however, it is the Community as it is now for which we are taking decisions and it is to this Community to which the ideas embodied in our decisions must relate.

Klepsch

There is something else I should like to say. There are four major fields in which any parliament has to assume democratic responsibilities.

First of all, there is the predominant right of all parliaments, that of supervising the budget, in our case the Community budget. As has been announced, we can soon expect an extension of our powers in this respect. Perhaps, however, we are sometimes in danger of restricting our aims to those of participating in the legislative process and in budgetary matters. These things are necessary, but we must not lose sight of two major duties incumbent upon any democratic parliament.

First of all there is the job of supervising the exercise of power, something I touched upon before. The predominant rights and duties of any parliament include that of supervising those who exercise power and, in doing so, of taking account of the wishes of individual groups of electors. This supervision must be exercised by parliamentarians who have the time needed to master the complexity and ramifications of the questions involved, and it is in this light that we must view the duties of a future European Parliament. If the diverse structures of the countries linked together in this Community are to be harmonized, the parliamentary representatives must have an extremely deep insight into the problems of the other peoples and sectors in the Community.

It must therefore be stated quite clearly right from the start that a European Parliament must make demands on its Members far beyond those encountered at national level. If Parliament is to take decisions on behalf of the European Community and exercise a decisive influence, it is essential that it be aware of absolutely all the interests of the Community and tie them in with the attitudes deriving from the various national backgrounds.

Ladies and gentlemen, there is something else which I think is of extreme importance for the European Parliament. Precisely because it is elected by the people and there is a direct relationship between electors and elected, this Parliament has the same basic duty as a national parliament to cultivate the links with the electors, to maintain the constant flow of information between electors and elected, and to ensure that sufficient account is taken of the different viewpoints reflected in this continuous exchange of opinions.

Again, it must be admitted that the burden of the dual mandate—I shall return to this point in a minute—naturally puts the Members under extreme pressure. If, however, we take a closer look, I feel sure we will recognize that

the directly elected European Parliament which we hope will be starting work in 1978 will have an enormous workload, for it will also have the task of being the driving force behind further moves towards European unity. We Christian-Democrats are firmly convinced that our future depends on the extent to which we succeed in making progress towards the political unification of Europe and in securing the principal objective of political European union. I am sure that this Parliament will have to be a deciding force in this field. Allow me to comment on some questions which arise in this context.

I should first of all like to say something in recognition of Parliament's work. The wide range of duties of this Parliament is not fully recognized in many sectors of the public and even in the national parliaments I should like to take this opportunity of stressing that the work done by this House in becoming acquainted with the problems of other Member States, in drawing up compromise solutions and establishing a consensus, in acquiring expert knowledge and in obtaining an overall view of the complex and ramified problems which face the Community and which vary from country to country, is of immeasurable value for further development. The work which has been done over the last few years in preparation for the activity of the future directly elected European Parliament is something with which we could not dispense.

Going by the number of proposed amendments to Article 2, we can obviously expect a discussion on the number of Members. For those in my Group, the essential question is as follows: Is this going to be a genuinely democratic Parliament which satisfies the criterion that each citizen should, as far as possible, have an equal influence on its composition, i.e. that the vote of each citizen should, as far as possible, have equal weight? Should the Members sent to Parliament by the electors each represent, as far as possible, the same number of voters? This is the principle behind the decision of the Political Affairs Committee, and it is also the basis for one of the proposed amendments.

Alongside this, there are other questions which can be viewed from different aspects depending on the problems involved, and there is also the attitude, which has some supporters in my own Group, that the starting point should really be the text of the Treaty of Rome, thereby more or less following the Dehousse proposal—either by retaining the present number, as proposed by Mr Nyborg, or by multiplying it by two or three, although this procedure is not suggested in any of the proposed amendments. I must, however, emphasize our view that Parliament's conception of its own rôle and the tasks which

Klepsch

I have tried to describe mean that we must not regard ourselves as a 'conventicle of the chosen few' at a level above that of the national parliaments and remote from the voters. It was undoubtedly right for us in the Political Affairs Committee, and I assume in all the bodies, to discuss whether the number of seats allocated to the smallest country should be taken as a basis, but there was complete agreement that Luxembourg would have to be regarded as a special case within the Community, and that its status would thus have to be dealt with fully in our considerations. My Group agreed with this view, and I therefore do not deny that there has been a tiny departure from the principle which I have just described.

I should like to comment briefly upon another question under discussion here, that of the dual mandate. Here again, I can state that my Group agrees with the concept laid down by the rapporteur in his report, since it ensures maximum flexibility and leaves it largely to Parliament to take the necessary decision. An opinion also held in my Group, however, is that we could adopt the revised version of Amendment No 16, so as to lay down the incompatibility of the dual mandate. Speaking personally, I feel sure in any case that, in a directly elected European Parliament with the tasks which we want it to have, the possibility of a dual mandate is completely unrealistic. What parliamentarian could, in the long term, bear this double workload?

I feel that there are some who view this question from an angle which belongs more to the past than to the future. When we come to vote on this Draft Convention, we who have to decide upon these amendments must fix our eyes on the future. I am grateful to Mr Ortoli for the remarks he has just made in this respect. For us Christian Democrats, the essential thing is to develop the democratic structure of Europe and to ensure that political European union does not remain a remote aim, but becomes tangible and attainable, and that we have a means of achieving this in a Parliament which is in direct contact with the peoples of Europe. We all know that every opinion poll taken in our countries shows that more than two thirds of the European citizens interviewed are in favour of this European political community. This is something which has often been expressed unanimously in this House. I should therefore like to stress particularly the fact that, in the discussions on this Draft Convention, we consider the decisive advance to be legitimation through universal elections.

We are fully aware that there is still a lot to be done. It is naturally something of a blemish that

we have not yet reached any agreement on the electoral procedure, but I am sure that we shall achieve it in this House. I am glad that we have at any rate managed to agree on having a single date for the elections, and I share the rapporteur's opinion, expressed in his report, that it would be a good thing if this date did not coincide with that of a national election. In this way, the Members of the European Parliament would be elected on the same day all over the Community, and without there being any risk of this election being confused with any other.

In conclusion, let me say that we support the Patijn report. We realize that we still have a lot of hard work before us if we are actually to achieve by 1978 everything that appears to us today to be not only desirable, but essential.

The President of the Commission, who indicated his readiness to give us his support, and the Heads of State or Government, who also indicated their support at the Paris Summit, must be taken at their word. The European Parliament will today be taking a decision which makes clear its interpretation of its own rôle. Let us take this step forwards towards a genuine, fully-functioning and democratic Parliament.

(Applause)

President. — I call Mr Schmidt to speak on behalf of the Socialist Group.

Mr Schmidt. — (D) Mr President, we have often talked in this House about so-called 'institutional equilibrium', and we have time and again rightly complained that this equilibrium does not really exist in view of the fact that the Commission's position vis-à-vis the Council has been steadily weakened and that this Parliament does not have adequate powers. One thing we rarely mentioned, however, was that there is one extremely important person in the Community who is completely excluded from participating in European decisions, namely the European citizen. His exclusion from these political decisions is extremely unjust, and in my view has hindered integration more than any other factor.

When this Community was first established, there was great enthusiasm for Europe, and politicians were prodded on by the citizens. Now that the citizens have been excluded completely from participation, the impetus from that side has declined somewhat. When we talk today about direct elections to a European Parliament, it is not we ourselves who are the point at issue, ladies and gentlemen, but the participation of the citizens of Europe in European decisions. This appears to me to be one of the main aspects of our present discussions on this question.

Schmidt

The second point which I should like to bring up is that the lengthy period of time between the presentation of the report in 1960 and our debate today is a clear indication of where the European dilemma lies, that we have made no progress over all these years in one of the central factors in the construction of Europe. We hope that today's debate will not mark the beginning of another equally long period, but that the Council will adhere to its own 1976 deadline for a decision on this matter. We in the Socialist Group and, I assume, Parliament as a whole, will do everything in our power to draw attention repeatedly to this deadline.

Now for the Draft Convention presented by Mr Patijn on behalf of the Political Affairs Committee. We welcome above all the fact that this Draft Convention restricts itself to the essentials. The 1960 report—and this it probably understandable in the context of current attitudes at that time—attempted to solve a number of questions which, in our view, need not necessarily be settled immediately, e.g. the minimum voting age, the admission of political parties, etc. Although it was probably not the deciding factor, this may have been one reason why it was not discussed further. The fact that the present report restricts itself to statements on the election date, the validity of the mandate and the number of Members means, in our opinion, that it has a considerably greater chance of being implemented than Parliament's report of 1960.

Another point is this: We do not deny that the Draft Convention has—as Mr Klepsch said—one 'blemish' in that it does not incorporate a uniform procedure. We Socialists would naturally have much preferred a solution without flaws for the whole of Europe, but we believe that, politically, this Draft Convention satisfies those requirements which can realistically be made at the present time, if we are to make any progress in this direction. It is possible that some legal problems might arise in this connection, but I shall leave my colleague Mr Broeks to deal with that point later on.

A fourth point. We as a Group are in full agreement with the three objectives of the Patijn report: the adaptation of the 1960 Draft to meet modern requirements and to take account of the changes which have taken place in Europe since then; secondly, an extension of the legitimacy of the Community, and I must point out to Mr Ortoli in this context that it is not purely and simply a question of increasing the legitimacy of Parliament. Of all the institutions, Parliament has the 'most' legitimacy, since each of us here has been elected somewhere and sent here by the national parliament.

(Scattered applause)

Other institutions, as well, lack legitimacy, and this legitimacy can be increased if we introduce European elections.

Now let me turn to the connection between powers and elections. There is one thing I must emphasize strongly on behalf of the Socialist Group: we will not let anybody take away the legislative powers of this House in return for giving us direct elections.

(Scattered applause)

There is no dividing line between powers and elections. In the long term, there can be no direct elections to a Parliament which has no powers. We are not involved in a package deal. It should nevertheless be stressed that this Parliament must stand on two legs, that it must be legitimized directly by the citizens, but that it also needs the powers to be able to tell the citizens what they are voting for, what their representatives in this House intend and are able to do for the citizens of Europe.

It is for this reason that the question of the deadline arises. We shall not really be able to say that the democratization of this Community is complete until the constant task of fighting for increased budgetary and legislative powers for this House has been ended, until these powers are granted in full, and until Parliament is elected by universal suffrage. It will be a constant struggle until we have achieved this. May I also draw attention to the Summit communiqué and make it clear that, for us, the two ideas expressed are of equal importance. The statement from the Summit that Parliament's proposals are awaited with interest is just as important as the statement that additional legislative powers will have to be granted to this Parliament.

Then there is one point on which we disagree with the report from the Political Affairs Committee. I refer to the increase in the number of Members to 550. Ladies and gentlemen, we know how difficult it is, in a Community composed of countries of such varying size, to implement the principle which we basically support and which Mr Klepsch has mentioned, that is 'one man, one vote', or 'each vote must carry the same weight'. Even Mr Klepsch had to admit that, if we look at the case of Luxembourg, his proposal does not fully reflect this principle. Wherever a principle is breached, there is a danger spot, and we must ask ourselves how we are to escape from this dilemma. I think there are two things we need: representation which is as fair and balanced as possible on the one hand, and a Parliament which is capable of working on the other. If, at a time when the wave of accessions is probably not over, we envisage a Parliament of nearly 600 Members,

Schmidt

and if we proceed on the probably justified assumption that no parliament in the world has ever managed to reduce its numbers—only to grow larger—, we must expect a steady increase in numbers if more countries join the Community. This would mean, however, that Parliament would become unworkable, and an unworkable Parliament cannot fulfil its task, and this is not the kind of Parliament we want. Let us therefore stick to Mr Patijn's proposals, since increases would then be possible if new countries joined.

We believe in any case that the interests of small countries are better protected, and that there is less immobility in this proposal than in the proposal made by the Political Affairs Committee.

One further point on which I should like to make a clear statement. The Socialist Group is of the opinion that, as far as the future is concerned, the dual mandate is out of the question. We know that the dual mandate is undoubtedly necessary for the time being. None of us could fulfil our duties if we did not also have an opportunity to engage in national politics.

Ladies and gentlemen, let us be honest. Each of us has already more or less decided which mandate is more important to us, the national mandate or the European one. It is simply impossible to exercise both of them simultaneously and to the same degree. I think most of us have placed more emphasis on the European mandate, and in future it will simply no longer be possible to exercise a dual mandate. Let me give an example. In the Federal Republic of Germany it is legally possible to be a member of both a Land parliament, and the Bundestag but there is not one member of the German Bundestag who is at the same time a member of a Land parliament. In future, this will apply equally to the case of the European Parliament, no matter what decision we reach here today. I feel we must be consistent and make it clear from the beginning that dual mandates will be impossible in future. We should therefore lay down a regulation which, while not necessarily definitive, allows this dual mandate until final elections are held. From then on, we should proceed on the assumption that it is no longer possible.

On behalf of the Socialist Group, I should like, in conclusion, above all to express our thanks to Mr Patijn. I feel it is impossible to be appreciative enough of the work he has done, travelling throughout Europe and establishing what was feasible and what was impossible. If this work had been done simply at a desk, it would not have had nearly as much chance of being accepted here today as the Patijn report.

Mr Patijn, may I extend to you the sincere thanks of the Socialist Group.

(Applause)

And now, ladies and gentlemen, one final remark. There are politicians in Europe who feel that the European Parliament will probably never have sufficient powers for effective supervision of the enormous organization which has arisen here. There are some who say that it would be better to let parliamentary sovereignty remain with the national parliaments. To echo Mr Klepsch, I should like to point out that whoever says this has failed to recognize the slow undermining of democracy, the quiet sapping of the powers of the national parliaments and their replacement by unsupervised actions, by an impenetrable jungle. Decisions involving sums of thousands of millions are taken without any democratic supervision. Anyone who pleads for the retention of the sovereignty of the national parliaments, even in a European context, is essentially attacking parliamentary supervision. This is something which we Socialists cannot accept. What we need is adequate democratic supervision, since the only Europe which has a future is a Europe with democratic structures. This is what we want.

(Loud applause)

President. — I call Mr Jozeau-Marigné to speak on behalf of the Liberal and Allies Group.

Mr Jozeau-Marigné. — *(F)* Mr President, ladies and gentlemen, this is certainly an exceptionally important day for this Assembly. Indeed, I feel we are turning a corner in the struggle and in the procedures we have known for so many years.

This first campaign was led by Mr Dehousse to whom we are bound—I use the word advisedly—by close ties of friendship forged during his constant leadership of what might be termed the 'good fight', particularly in our Legal Affairs Committee.

(Applause)

At that time we were intent on conducting this action at two levels: at the political level—of which the representative of the Socialist Group has just been speaking—but also at the legal level. Indeed, though Mr Patijn's report relates to an extremely important political matter, the legal aspects it raises are nevertheless most significant.

Some Members, ladies and gentlemen, have just raised the question of the legitimacy of our Assembly. I shall not do so. I shall not do so, partly because it was correct to stress the political aspect, but also because when our committees

Jozeau-Marigné

were working along the lines of the report from the Political Affairs Committee and the opinion of the Legal Affairs Committee, we were acting in full conformity with the 1957 Treaty, particularly Articles 137 and 138.

The text of Article 137 expressly stated that the Assembly should consist of representatives of the peoples of the States brought together in the Community; moreover Members should be designated by the respective parliaments from among their members. This was necessary at the time as we were still in our infancy. It is the 1957 Treaty which, after stating this principle and after specifying the number and distribution of delegates, stipulates that the Assembly shall draw up proposals for elections by direct universal suffrage in accordance with a uniform procedure in all Member States.

It is this duty, laid on us by the 1957 Treaty, that we are in the process of fulfilling today. It has often been deplored—time and time again by Professor Dehousse—that such a long time should elapse between the application of the first paragraph and that of the third. It is therefore very gratifying that the Paris Summit has permitted rediscussion of this important matter and that the national forces of each country must now commit themselves on Europe, and consequently draw up their strategies. We can say today that the European Parliament is to progress from the theory to the reality. How pleased I was, Mr Ortoli, to hear you say just now that the existing policies of our governments had not included these matters, and that we had to wait for the Paris Summit to highlight them again. We must therefore point out these legal aspects against the political background which Mr Patijn so justly stressed.

It is not for the Liberal Group, ladies and gentlemen, to go into every aspect of the problem. We are in agreement with the main principles. However, I should like, in a few words, to indicate our views on the text and on the amendments to be discussed today.

The previous speakers have, quite rightly, stressed their concern about the number of Members of which Parliament is to consist. I must state straightaway that the Liberal Group generally shares the views expressed by the last speaker from the Socialist Group. I therefore told Mr Lautenschlager, whose work and whose opinion on behalf of the Legal Affairs Committee I greatly admire, that it does not seem feasible to me to accept the considerable figure of 550 Members proposed by the Political Affairs Committee as a basis for beginning a Parliament.

Indeed, ladies and gentlemen, as the representative of the Christian-Democratic Group so right-

ly said just now, it is to be hoped that in the future Europe's position will be such that a number of countries, whether present or future associates—for we should not forget that this Convention can establish the situation for many years to come—will wish to join us. If we now think in terms of at least 550 Members for the nine countries currently making up Europe, there might well be as many as 800 in the Assembly in the future. What sort of useful work could it then do? Let us first consider the Assembly's work and then that of the Members.

What standard of work could we expect from the committees? They would be so large that they would be unable to produce any documents. Even now this is too often true when dealing with tricky problems. A number of us on the committees are unhappy with the long drawn-out debates which make it impossible to present conclusions to Parliament as rapidly as is required.

Moreover committee work would be even more difficult as, don't forget, we have to work in several languages. The problem would become almost impossible to solve, and work carried out under such circumstances could prejudice the political influence of the European Parliament. The work of an Assembly such as this must be of a high standard if it is actually to help build Europe.

So much for the Assembly. Now what about the Members? Just now, Mr Schmidt rightly asked how one man could carry out two mandates. It is a fact, I repeat, that it is the 1957 Treaty which stipulates that Members should be designated from within our national parliaments. There was no other possibility at the time. Now, however, if, as we all wholeheartedly hope, Europe goes on to gain major economic and political significance, the work will increase so much that we may well ask, since we already find the dual mandate so burdensome, how either mandate could be accomplished. Our very electors, the citizens of Europe, will be entitled to ask whether we are still capable of being national citizens.

That then is the problem and heaven knows what the solution to it is. Recently, regional institutions were set up in France and the members of the National Assembly were obliged to become members of the regional assemblies. To make this possible, the statute provides that meetings of the regional assemblies may not be held when the National Assembly is in session. There's an impossible situation for you. Would we here, at the European level, be able to arrange sessions of the European Parliament which did not coincide with sessions of the national parliaments? It certainly would not be easy,

Jozeau-Marigné

particularly as we are dealing with nine countries.

Without wanting to draw out the debate, I have simply indicated a few difficulties which make us feel that we should not unduly increase our numbers and which, as far as the problem of incompatibility is concerned, lead us to the conclusions which Mr Lautenschlager described so well earlier.

However, ladies and gentlemen, we also have to consider election dates. It goes without saying, Mr Patijn, that in a text such as this, it is impossible to cover everything. Indeed, depending on whether incompatibility is considered at the present time or over the long term, various possibilities occur. Either, over a transitional period, it is felt that the dual mandate is compatible but not obligatory, or the principle of incompatibility is accepted as irrevocable. At the same time, we also have to consider the question—a most important one—of liaison between the European Parliament and the national parliaments. All of us here, ladies and gentlemen, must think seriously about this problem. One of the previous speakers spoke of the very tricky problem of liaison between the citizen and his representative. Will it not be extremely difficult to ensure liaison between the European Parliament and the national parliaments? We shall have to find a transitional solution and provide for various situations. The rapporteurs or members of the committees could remain in contact with our national parliaments, rather as you have done, Mr Patijn, by travelling extensively to examine more closely and on the basis of the facts what was possible, what was useful and what was impossible. Allow me to point out, without producing a whole catalogue, another difficulty which could arise. Will it not be necessary to ensure that elections for the European institutions do not take place in any country on the same day as national elections? It would not do if those whom Mr Schmidt earlier described as citizens of Europe were to lose sight somewhat of European problems owing to involvement with far more national problems, particularly in some countries where, because of the winner-take-all electoral system, domestic problems gain more attention than problems of a European character.

We all have a task to accomplish together and during this debate today we must see whether, on the basis of the amendments to be made, the text under scrutiny—I am thinking particularly of Articles 7, 9 and 13—should not, at a later stage, form the basis of a coordinated effort. But, of course, as national members of parliament you know all about that. Don't we have to do this every day of our working lives?

Mr Schmidt told us just now that our struggle was not yet over and that we would still have to solve the problem of powers. That is of course quite true. However, it is equally true that today our thinking, our determination and the new dimension we can provide will have enabled us to accomplish an important task. And we shall have done so fully respecting our European convictions and the opinions of each nation. I should again like to congratulate Mr Lautenschlager who was concerned in his amendment on the number of representatives with ensuring adequate representation of the small countries such as Luxembourg. There is no doubt that the text itself—and this is, of course, the intention of the basic Treaty—relates to a parliament consisting of only one chamber. But if there is only one chamber, while the citizens will naturally have to be represented, the smaller states will also have to be given minimum representation. It would not be right for them to have no voice, and thus to be at the mercy of the larger states.

On this note I wish to conclude. However, I should also like to join with Mr Ortoli in saying that by taking this decision today, by taking this forward step, in full awareness that our work is not yet finished and that we have not yet solved all the problems, we shall perhaps succeed, by mutual understanding and effective joint action, in bringing the governments face to face with the reality and the political will of Europe, and particularly of this Assembly.

(Applause)

President. — I call Mr Kirk to speak on behalf of the European Conservative Group.

Mr Kirk. — Mr President, like all those who have preceded me, I should like to start by complimenting Mr Patijn on the document that he has laid before us today. As one who has had the privilege of working with his father in a number of fields over very many years, I am not sure whether I would agree with his description of himself as a prodigal son. On the contrary, I think this is a case where the son has succeeded the father and, like a wise child, not only knows but follows his father's example, and the result is the very remarkable document that we have before us. Like other members of the Political Affairs Committee who have worked with him on drawing up this document, I know the amount of effort that has gone into it.

I should like also to add to the tributes that have been paid to Fernand Dehousse. By curious coincidence, the first day that I ever sat in the European Assembly was the day that he was elected President of it, and that is going back

Kirk

some years. So, for me, this is almost old home week. It is very nice to meet so many old friends again, and one of the old friends, of course, is the question of direct elections.

This is something which has been very much on the minds of Members of this Parliament since long before we joined it and, as Members may recall, it is something which the European Conservative Group has supported from the very first day that we joined. Unfortunately, the governments of two countries which our group represents have placed a reservation on this matter; nevertheless, all three of the parties that we represent in this group are convinced that direct elections to the European Parliament are an urgent necessity. I think it is important, Sir, that I should make this clear from the start, if only in the light of an article in *The Times* yesterday which may have been read by the rapporteur and perhaps by other Members and which puzzled me considerably. It puzzled me because it seemed totally to fail to grasp the significance of what we are doing here today. It was puzzling because the commentator who wrote it is a man who is very eminent, has commented much on politics over the years, and indeed, has attended many part-sessions of the European Parliament. I think it ought to be made plain, in the light of that article, that, as Mr Jozeau-Marigné said, there are, of course, political as well as legal implications here, there are practical implications as well, and Mr Schmidt's very eloquent speech underlined what those practical implications were.

So far as the political principles are concerned, I think the doubts reflected by the writer in *The Times* on the effect that this debate might have on internal British politics in the immediate future—I have always been very careful not to inflict British internal politics on this Parliament, but I think in this particular case one must mention them—were fully answered by the remarkable speech we heard from the President of the Commission, which set the context of what we are doing today in the framework of the general development of Europe over the next five or ten years. More than anything else, we need to bring this home to people in all the nine countries and, perhaps, first and foremost to people in my own country, who, we understand, will be called upon to vote on this matter in the near future. It is important that they should understand precisely what it is they are voting for or against, and it is important too that they should understand that, in the Europe that we are building, the common picture of the Europe of bureaucracies is an untrue picture. We are trying to build a Europe in which every citizen participates in the same way that they

participate in the national governments and parliaments of their own countries.

(Applause from the Conservative Group)

I think it is essential that this misunderstanding in *The Times* yesterday should be cleared up.

Today we may be taking a step towards a federal Europe for those who want to go in that direction. It may be a step away from it for those who do not, but the essential thing is that it is a step towards the participation of the peoples of our countries in the work of the Community as a whole, bringing the Community closer to them and therefore giving them a say in the way they want the Community to go. It is absolutely essential therefore that this step should be taken today and that it should be taken clearly, so that when the British people are called upon to take a decision on this matter later this year—if they are—they will know that they will have a share in the Community on which they are voting.

(Applause from the Conservative Group)

The practical reasons were made quite plain by Mr Schmidt and, indeed, by Mr Patijn and virtually everybody else.

This Parliament cannot continue to function for very much longer on the basis of the dual mandate. That is quite clear to all of us who take part in it. It is quite clear, or should be quite clear, to all of those who observe it. However, there is a point here which I think has to be brought out because it is a matter of some importance. In doing away with the dual mandate—if we do—we must be careful not to do away with the connection between what we do here and what is done in the national parliaments. There is a distinction, I think, between the two. I don't think there is any need for Members to be members of both—indeed, I see the difficulty in their being members of both. Nevertheless, it has become clear in the two years that I have been a Member here that the cooperation of national parliaments in our work is going to be needed for a very long time ahead, and some way must be found, whether through the follow-up to this Convention or by some other means, to ensure that this connection is kept. To that extent I agree with the article in *The Times* yesterday. I do not think that the dual mandate is necessary. However, I would not go so far as Mr Lautenschlager, or indeed Mr Jozeau-Marigné, and forbid it. If somewhere in Europe there are supermen who feel that they can carry both burdens at once, why should we prevent them? I think we should allow them, if they wish, to expose their talents to us in this way. There have been men who have indeed in the recent past been members not only of

Kirk

their own national parliaments but of the North Atlantic Assembly, the Council of Europe, Western European Union and the European Parliament. I can think of one very eminent member of the Christian-Democratic Group who until a few months ago fulfilled all those mandates and fulfilled them with great distinction and effect. Now, if Members wish to do it, why shouldn't they? I think there is a lot to be said for it, and that we should oppose the ban Mr Lautenschlager would have us put upon the dual mandate. Certainly it is the intention of my group to vote against this ban.

There are a mass of other points, of course, which arise from this document, such as the date of 1978, which arises really from the Summit Communiqué. I am quite prepared to agree with it. I fear, however, that it will be extremely difficult to keep to it. Not because of any lack of good intentions, but because of the mass of work which has to be done—I think Parliament must be clear about this—before these elections can take place. The devising of a common electoral system that shall be acceptable to all nine member governments is not going to be easy. The creation, if I may put it like that, of European political parties in order to ensure a proper ideological debate when these elections take place, the registration of the electorate throughout the whole of the nine countries for the European elections, the age of election, matters of this kind which differ to a considerable extent between the member countries will not be easy either. All these may seem matters of detail, but three years is not a very long time to clear up all the problems that will face us when we vote, as I am sure we shall, by an overwhelming majority for this document later tonight. Therefore, though I will certainly cheerfully vote for Mr Patijn's amendment for 1978, in the hope that this will hurry things up, I myself shall not be greatly surprised, nor indeed overwhelmingly disappointed, if we find that we are back at the original date of 1980 before this comes into effect.

Having said that, I merely wish once again to repeat that I think this has been a magnificent achievement on the part of the rapporteur. The attendance at this debate today, the interest that has been reflected from outside, shows the importance of it not just to us but to the citizens of Europe as a whole, and I hope very much that Parliament will vote for it by an overwhelming majority.

(Applause)

President. — I call Mr de la Malène to speak on behalf of the Group of European Progressive Democrats.

Mr de la Malène. — (F) Mr President, ladies and gentlemen, speaking on behalf of my friends, I should like to group my comments under two headings, firstly those dealing with the relevance of discussing the text before us today, and secondly those relating to the text itself.

It may be useful to explain briefly what we expect and hope for from the construction of Europe. We have spoken and still speak of a European Europe and a Europe of States. *L'Europe des patries* is an apocryphal expression which was never uttered, but European Europe and a Europe of States are terms we still employ. Why? Because we feel that to create Europe must be our ambition, just as we feel that Europe cannot be other than legitimate.

First the ambition. We are ambitious for our country, as we believe you are, quite rightly, for yours. And when we say we are ambitious for Europe, we mean that the Europe to which we aspire, far from making inroads on the independence of our countries which we feel it is our duty to enhance and maintain in their own interests, must, on the contrary, be strong and independent in itself.

What kind of Europe would it be without its own, independent foreign policy, one which differed from any other, not *a priori* of course—that would be absurd—but potentially? Simply a powerless diplomacy.

What kind of Europe could maintain it had a foreign policy without having the necessary means to implement it, namely a common independent defence system?

In the world as it is today, is it always necessary to be on a par with the major powers, to have one's own policy and defence system and to be listened to in respect of one's interests? Of course not! We only need to look around us.

Let me be quite clear. I am not making any grandiose claim for power, let alone advocating any kind of imperialist attitudes—far from it. What I am saying is that we must allow the highly developed, industrialized peoples of Europe, rich in culture, strong in numbers, but nevertheless weak in so many respects—as we can see only too well today—to be masters of their destiny, masters of their choice of civilization and of society, to defend their legitimate interests and to play their part in improving the peaceful organization of this planet. This is our ambition, for our individual countries and for Europe.

Next legitimacy. We are living in an era when, in Europe more than anywhere else, everything

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is being questioned and challenged, above all authority and power. Power can no longer simply be imposed. If it is, it is merely a semblance, void of any real existence, and heaven knows how many examples of this can be seen throughout the world. There is nothing worse, because you think you have built something and in fact you have done nothing at all. And as you have done nothing about power, power emerges or is exercised elsewhere—another situation with which we are only too familiar. In a world where everything is challenged, power to be effective must be felt to be legitimate, and if it is to be considered legitimate, it must be based on maximum solidarity. Despite the progress made, particularly among the young with their sometimes naive but always enthusiastic discussions—the meaning of frontiers, progress or discussions which certainly go far beyond the frontiers of the Europe of the Nine—it is nonetheless true that solidarity within our states is still by far the strongest and most striking reality on which to build and advance. Without solidarity, there can be no majority rule. Without majority rule, there can be no democracy, no legitimacy, and without legitimacy, no real authority, only a façade, a mere façade, a pretence. We do not want façades, we do not want pretence; that is why we speak not only of a European Europe but of a Europe of States.

During my fifteen years in this Parliament, I have seen many attempts to construct Europe, and either successively or simultaneously, but mostly successively, these attempts have been concerned either with the *why* or with the *how*.

By the *why*, I mean the process of defining or developing common policies or objectives on the short term, as for example the common agricultural policy, or more ambitious foreign policy objectives, such as defining a common policy with respect to the Middle East conflict. The '*why*' consists of deciding, bit by bit, little by little, ambitiously or not so ambitiously, what the policy of tomorrow's Europe is to be in every field.

The *how*, on the other hand, is the procedure, the means of making progress, in other words the institutions conceived in a dynamic perspective.

The two aspects—the *why* and the *how*—have their craftsmen and their eras. On the one hand we have seen the creation of suitable institutions, on the other the definition of common objectives. For instance, it was said, 'Let us follow the institutional route, let us try to create a new force in the world, Europe. To benefit what policy? Whatever the people want.'

A little later, it was realized that owing to lack of agreement on the objectives, no-one was prepared to commit himself to the venture, even if the refusals were often disguised. And disagreement on the *how* was only a thinly concealed pretext for disagreement on the basic objectives. However, as Europe was the only possibility, the *why* and *how* cycle has been repeated again and again.

Today, we are faced once more with a proposal binging us back to the *how*. In order to assess its present relevance, its value, and its prospects, experience has taught us that we should look carefully at what went before it and at the surrounding circumstances.

What has become of the *why* over the last few years, the last few months, the last few days? Has there been any gradual advance in foreign policy, in the common policies, have there been concrete results or rapprochements which justify involving the *how*? If we cast our minds back and support this new, extremely important step for a moment and take a brief look at recent history and the present situation in Europe, what do we see?

From Six, we have now become Nine. We have made progress, there is no doubt about it. But what will become of it? The British claim to 'renegotiate' or even leave Europe is now having an effect on all the plans and decisions of the Community.

No doubt we are now more numerous and more representative of Europe. But while our increased heterogeneity and size have made action and decision-making more difficult, we have had first the world monetary crisis and then the current crisis of raw material and energy prices. After a few attempts to meet the challenge, via what is known as the Economic and Monetary Union, the European front neither resisted the difficulties nor the pressures from the other side of the Atlantic. The lira, the pound sterling and now the franc are floating. Efforts have been made to reduce the consequences by introducing safeguards and compensatory measures, but now long can the Community policies now in force hold out?

Then came the energy crisis. All our Member States were in more or less the same boat. But where is the common energy policy? What has become of the common enriched uranium policy? What has happened to our common policy vis-à-vis the oil-producing countries?

The monetary crisis and the energy crisis, and their offspring inflation, or rather stagflation, are becoming increasingly if irregularly widespread. Serious employment problems are loom-

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ing on the horizon, and instead of there being a coming together, instead of the emergence of a common approach, we see here and there the first signs of a 'devil take the hindmost' attitude, as if Europe were only a luxury to be enjoyed in periods of calm.

Whether the crisis gets worse or simply continues, the infection will spread. Little by little Europe will lose its substance until only an empty institutional shell remains, bearing no relationship either to reality or to authority.

Like the rest of the world, Europe is going through a crisis.

But over and above this—and it is even more worrying—is the reluctance, if not the downright refusal, experienced on every occasion, to try to define a common foreign policy. It is as if in this area, and even more so in the area of defence, Europe did not come within the competence of the Nine of the European Institutions, indeed, as if this were not a European responsibility at all. It is as if this area had been set aside to be dealt with elsewhere within some other much larger framework.

But of what value is a Europe restricted to milk or steel prices?

What is Europe worth if it cannot organize its own diplomacy and defence without the assistance of its great transatlantic ally?

Acceptance of this argument, which has been clearly stated—though thank heavens not in Europe—whether explicit, or as is more often the case, implicit, is incompatible with any hope of seeing a political Europe come into being at some time in the future. Unfortunately, however, that is our impression, I might even say conviction, about the attitudes of most of the Nine to foreign policy. Whether the issue is a monetary crisis, the vital reform of the international monetary system, the rôle of reserve currencies, the rôle of gold or of SDR's, whether it is the energy crisis, or Europe's relationships with the oil-producing countries, or the manufacture of enriched uranium, whether it is a matter of European policy in the Middle East conflict, or last but not least, of any of our defence problems, this is the conclusion we unfortunately have to draw.

It is in this climate then, where despite successive summit conferences, despite proposals or plans made here or there on the *why* of Europe, nothing or precious little seems to have crystallized that it is proposed that we rush enthusiastically to implement the results of another 'summit'.

On the one hand, we see an inability to define objectives or the refusal to define objectives for Europe, while at the same time we are asked to take an important step in the institutional area. No one can tell us where we're going, but they're sure we're going to get there.

Well, ladies and gentlemen, my friends and I have serious doubts about the value of a venture of this kind at this juncture. We have often said, and still say 'yes' to the election of the European Parliamentary Assembly by universal suffrage if that is to lead us to a strong, independent Europe. But if this objective was not wanted, what would such an institutional step be, other than an embarrassment or an obstacle for those who, if Europe failed them, would try to remain masters of their destiny? These are the main reasons which have led us to consider whether this is the right time for such a move.

I shall now go on to consider the text itself.

But before doing so, I should like to express my very sincere congratulations to Mr Patijn for his work, his text and his report which appear to me—to us all—to be models of intellectual honesty and clarity. I should like him to know that I speak both on my own behalf and that of my Group.

As regards the text, I shall limit my comments to what appear to me to be the three major difficulties.

The first is to examine whether it is right for our Assembly to be elected in an isolated manner, without any accompanying modifications to the institutions or their powers. The second relates to the electoral procedure and the third to the number and distribution of Members.

Firstly, isolated election seems to us to be questionable. What is the objective? The ostensible, recognized objective is threefold: in one way or another to establish a better equilibrium between the institutions, to make this Parliament more legitimate and to make its operations more effective. I shall not dwell on the third objective. A better equilibrium between the institutions: in this connection a basic question ought to be put. Is it necessary to improve the equilibrium? It is only necessary to adjust the equilibrium between the institutions after considerable progress has been made enabling a different institutional balance. I am not sure, bearing in mind what I said earlier, that we have reached this stage. But if, nevertheless, we answer the question in the affirmative and say yes, equilibrium has to be improved, I do not think it is possible—and the difficulty was seen in 1960—to consider election by universal suffrage

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without also considering the Assembly's powers and the relationship of this elected Assembly, equipped with powers, to all the other institutions. Simply to have the Parliament elected by universal suffrage without changing its powers and without changing its relationship with the other institutions seems to us to be a most unfortunate development.

Now to the second argument, the second objective: to acquire legitimacy through the elections. Let me first say that I have always considered this Assembly to be legitimate and I am not aware that the Upper Houses in the various countries where their members are elected indirectly, are felt to be illegitimate assemblies. Obviously, therefore, it's not legitimacy in this sense that we're after. What should be said is that an effort is being made to ensure greater participation. To enable people to take part in choosing the Members of our Assembly is certainly a praiseworthy objective.

However, in the present framework, if we simply hold elections and forget, as I said earlier, about our powers and relationship with other institutions, are we entitled to feel that such elections will provide the desired result—allowing the people to participate? First of all, will people be interested in an assembly with such limited powers as ours? Secondly, if there are elections, what issues will the candidates raise? Here, of course, we are specialists in European matters. We do have our differences but we often find that they are only nuances. If I am compelled to oppose a colleague from the Liberal Group on a European issue, I shall have the greatest difficulty in making clear where I stand vis-à-vis him. The voters will find it rather difficult to place me.

The electoral issues will in fact be based on domestic policy, and the elections will thus not depend on European policies, but on differences of domestic policy. Another difficulty is that we cannot set up a huge assembly. Yet the number of electors will be extremely large. Will it then be possible to encourage participation from our peoples, who are already subjected to more than enough elections, in an election where the representatives are very distant figures and where they cannot see any differences among the various candidates?

Inevitably, the choices will be made by the parties and thus the electors' votes will in fact play a very small part. In other words, the desired objective, participation of our peoples in this election, seems unlikely to be achieved. In fact, the real objective is to strengthen Parliament so that in the future it may become a sort of European constituent assembly able to promote future construction.

The second difficulty is the problem of the electoral system. According to the text, universal suffrage is to be ensured by applying a uniform procedure. This uniform procedure obviously relates only to the electoral procedure—it cannot relate to anything else. Indeed, our rapporteur is so well aware of this that he proposes that initially the difficulty should be avoided and that only at a later stage should an attempt be made to reach agreement on a uniform electoral procedure.

However, I should like to draw his attention, and that of this House, to the fact that if we evade this second difficulty, we may be providing the Council with a loophole for delaying its decision on the grounds that Parliament has not succeeded in agreeing on an electoral procedure.

The third difficulty is probably the most important and I should like to consider it for a few moments before concluding. It concerns the number and distribution of seats. My Group's position on this matter is quite clear. Indeed, we have tabled an amendment to which we attach great importance in the institutional context. It seems to us quite impossible to aspire to one thing and its opposite at one and the same time. If we are trying to acquire legitimacy and representativeness, if we want to have more authority in our decision-making, we cannot adopt a system of weighting. That is illogical. You cannot try to obtain one thing while employing an approach which leads to something else. Nor can you mix the methods. No-one is more concerned than we are about defending the interests of the smaller states. I would even say that it is our basic aim. But we would point out to all the representatives of the smaller states that election of the European Parliament by universal suffrage is not the way to defend their interests. This should be done by other institutional means. Once again we can see that it is not enough to consider the question of the election of Parliament by universal suffrage on its own.

We must, then, not make a pretence or a façade of our institutions. The basic rule of any parliament is that all the citizens represented in it are represented on a uniform basis...

Mr Giraud. — (F) It is not the case in the French Senate...

Mr de la Malène. — (F) ...To agree to break this principle simply on the grounds of expediency amounts to saying you don't really believe in it and I find this most unfortunate.

It is on the basis of all these aspects, relating to the relevance and the procedure, that we

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shall approach this debate. We make no secret of the fact that we find the remarkable gulf between the progress on the institutional front and the lack of it as regards the objectives extremely alarming. We do not wish to see the development of new institutions being used as an alibi vis-à-vis certain individuals and public opinion. The institutions are a necessary tool, but they are useless without policy or will. If such will were not to be shown, if such policies were not to be implemented, the institutions would merely become façades and would certainly cause more harm than good.

(Applause)

President. — I call Mr D'Angelosante to speak on behalf of the Communist and Allies Group.

Mr D'Angelosante. — (I) Mr President, ladies and gentlemen, we have always considered the direct election of this Parliament a very important step towards making the Community more democratic and giving it a structure sensitive to the social, economic and political demands of the workers and democratic forces in Europe.

Ever since we entered this House, we have clearly and emphatically taken this stand, which we also promote and defend wherever our party is represented and whenever we have a chance to do so. However, over the last few years we have also realized that this objective can only be achieved if we pursue a strong campaign not only against the external forces bent on blocking the path to democracy, but also against those who ostensibly favour but in fact oppose the process. There has never been a lack, nor is there now, of fears, delays and obstacles either consciously or subconsciously placed before us. Thus we are faced with concepts which weaken democracy and with attitudes which, though expressed in democratic language, are actually only a poor disguise for interests, positions and ideas in direct conflict with the stated principles. We have always taken a firm stand against attitudes such as these.

Ladies and gentlemen, we in the Communist Group certainly make no pretence that the objective of democratizing the Community as a whole consists solely of increasing democracy in the operations of one of its institutions, the European Parliament, which in fact has almost no power at all. Far more is necessary to accomplish this, or even to reach a satisfactory stage of development!

However, we feel that the direct election of the European Parliament is an important step in the process. We feel that it is of value in itself

as similar steps have been in the past. We have always considered a sound democratic system to be a positive driving force even in the face of backward economic, social and political structures. Indeed, it provides an important means of combatting such structures. Thus we have always done our utmost to defend proportional representation, decentralization and strong, democratic local centres of power.

Let us not forget the limitations posed by this objective.

The disparity between the Parliament and other Community machinery, the tendency to make outdated political choices, the absence of power, the contrast between the elected Parliament and a Council based on negotiated rules, are factors which have and—even under the best possible conditions—will continue to limit, obstruct and delay the effective functioning of democracy in this Parliament. However, it is an important step and we are firmly convinced that by allowing the people to deal with these problems, we shall be helping to solve them.

Nonetheless, ladies and gentlemen, we have observed only too clearly that this Parliament, which has always called for the decision before us today, has not always shown the necessary courage and necessary respect for the principles we defend. Whenever, as today, we have had before us a text claiming to be a blueprint for the attainment of what seems to be our greatest aspiration, we have found limitations and shortcomings, making us doubt whether this Parliament is really anxious to tackle and solve this important matter.

Like some of the earlier speakers, I wish to consider some of these shortcomings, in the hope that the rapporteur will note our comments and that Parliament itself will look more closely at this draft, certain aspects of which, in our opinion, raise serious difficulties for the process of institutional democratization which we all support.

My first point concerns the stages in adopting the uniform electoral procedure. Today, 14 January 1975, we find ourselves in the same position as Parliament was at the time of the Dehousse draft.

Owing to his firm conviction that the problem is insoluble, the rapporteur has simply disguised or avoided the difficulties in favour of a few assertions aimed at causing a minimum of distress and disagreement by being as neutral as possible. Thus, once again, fifteen years later, we are faced with a programme involving two phases, one transitional, the other final.

Mr Patijn—whose report I have read with great care—denies this. Yet I fail to understand how

D'Angelosante

he can. You only have to read the text of the Draft Convention to realize that at least half of it is concerned with dividing the process of electing the European Parliament into two phases—one phase in which more or less everything would be in the hands of the individual States and a second phase which would see the implementation of the uniform electoral procedure, about which Mr Patijn does not give us enough information, not even in his comments on the text.

We should not forget that we are speaking of elections, and not discussing abstractions or insignificant matters in a gentlemen's club. But if we are to have uniform European elections, how can we accept that a variety of legal rules should govern which parties are to be represented in the elections? Is it conceivable that in certain countries parties which are already represented in this House and which form a legitimate group would not be permitted to take part in the elections?

In comparison with Mr Dehousse's text, Mr Patijn's current text is even more retrograde. Although the Dehousse draft made the admission of parties to the elections subject to the national rules it at least restricted this arrangement to the transitional period. Mr Patijn, on the other hand, has now decided once and for all—that the question of which parties may participate should be decided by the national procedures, subject of course to any future reform of the system.

I am amazed that no-one, not even the rapporteur himself, has considered taking advantage of the decisions of the recent Summit which, by bringing forward the dates for elections to Parliament, made possible the drafting of a text aiming at genuinely European elections in 1978. We must therefore assume that the obstacles do not come from the Council of Ministers or from the governments, and that it is here that objections and opposition have arisen.

The Legal Affairs Committee, having examined this aspect of the problem, considers that a process or a series of acts such as those leading to the establishment and application of a uniform electoral procedure for the Community, can be divided into different phases. I have my doubts about this. I would simply remind Mr Patijn that Article 138(3) of the Treaty requires the Council of Ministers to act unanimously,—that is, to take one decision, not two or more. I therefore wonder if, when we reach the second stage in our plan (as we claim to be able to do)—or perhaps even the third—the Council of Ministers will not have valid grounds for stating that it has already completed its task and

that the electoral procedure is that decided on the basis of this draft.

Of course, Mr Patijn, like the clever lawyer he is, has found the solution. Article 15(1) on the Draft Convention repeals Article 138(3) of the Treaty and, in so doing, removes the legal basis provided by the Treaty for a uniform electoral procedure.

Another point I wish to raise is proportional representation, a matter of great political importance, and for us, absolutely essential. Not only does he not refer to this in connection with the future uniform electoral procedure, but in his notes to the text, Mr Patijn states that a system of proportional representation is not necessary. We are completely opposed to this approach to the problem. We shall never accept discrimination, and consider proportional representation to be absolutely essential in a democratic election. Even from a conceptual point of view there can be no uniform electoral procedure if both proportional representation and the simple majority system are used indiscriminately. This Parliament will thus have to be told how we can use the term 'uniform electoral procedure' when in some countries the election will be based on the list system of proportional representation and in other countries a constituency system will be used on the basis of the majority vote. Even Mr Patijn, with all his ingenuity, has not succeeded in reconciling this disparity, which in our opinion is an outright contradiction in terms, and as such, is quite unacceptable, particularly as there can be no common electoral procedure as long as the individual states are free to decide on the form elections will take. Here again we have contradictions. France, of course, will opt for its own system. Yet this Convention will make it impossible for France to go on using its system as it specifies that elections must be held on one day only, whereas in France, as we all know, the two-ballot system is customary.

On the other hand, I do not see why we should worry about the so-called dangers inherent in proportional representation, since all the criticisms of this system relate to the instability of those governments which use it. As we have no government here, our only task is to see how the peoples can be better represented in this Parliament.

Finally, Article 14 introduces a strange provision on the basis of which in the future, by means of a completely new procedure which is not provided for in the Treaty, further measures may be introduced and the electoral system may be changed. An attempt has been made to draw a comparison between this provision and Article 236. However, I would ask Mr Patijn whether such a comparison is possible.

D'Angelosante

If it is possible, there is no need to include this provision, as Article 236 already exists. However, to me it does not seem to be possible, as the legal basis of Article 236 is that we have no specific provisions in the Treaty for regulating this matter.

But Mr Patijn has thought of this too, as this may perhaps be one of the purposes of the repeal of Article 138(3), of the Treaty, whereby he deprives us of the only real legal basis for planning common elections and substitutes this machinery which, in my opinion, has many shortcomings.

These are the rather serious limitations in the Draft Convention which certainly indicate weakness of political purpose; the limitations relate to basic aspects of politics, principle and law, and affect the very substance of the solutions put forward, causing grave doubts about their ability to achieve the main objective.

In order not to complicate the debate—and also because we are convinced we shall be unable to settle this matter today—we have only proposed one amendment. However, in view of what has already emerged from the text and the speeches, we can state now that owing to the conflict between our full agreement with the basic principle and our severe criticism of the way in which the principles are expounded, we have no choice but to abstain from voting.

(Applause from the Communist and Allies Group)

President. — The proceedings will now be suspended until 3 p.m.

The House will rise.

(The sitting was suspended at 12.50 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR MARTENS

Vice-President

President. — The sitting is resumed.

**3. Welcome to the Turkish Delegation
to the Joint Parliamentary Committee
of the EEC-Turkey Association**

President. — I am pleased to welcome on behalf of Parliament the Members of the Turkish Delegation to the Joint Parliamentary Committee of the EEC-Turkey Association.

(Applause)

**4. Convention introducing elections
to the European Parliament by direct universal
suffrage (continued)**

President. — The next item is the continued consideration of the report by Mr Patijn on direct elections to the European Parliament (Doc. 368/74).

I call Mr Outers.

Mr Outers. — *(F)* Mr President, ladies and gentlemen, in speaking in today's debate it is not my intention to sing the praises of the Draft before us, or to draw attention to its merits; others have spoken before me, and I shall not repeat what has already been said extremely well concerning the quality of Mr Patijn's report and the opinion presented by Mr Lautenschlager on behalf of the Legal Affairs Committee.

I am one of those who believe that, in view of the fact that the Treaty of Rome was signed 17 years ago, it is about time that our Assembly implemented one of the most important provisions of that Treaty, namely Article 138. I also believe—and here I echo Mr de la Malène—that the people should obviously be consulted, not only to determine who will sit in the future Parliament, but above all to ask Europeans to state their opinion on the political choices concerning the kind of Europe they wish to see, on both the economic and social levels; in other words, the kind of society that Europe wants to build.

Mr President, I will merely touch on four points which in my view are bound to give rise to certain reservations as regards the Draft we have before us.

The first concerns one of the most delicate aspects of the Draft, of which much has been said already; I mean, the number of delegates to be sent to the Assembly. As I said when the Legal Affairs Committee was discussing this matter, the compromise offered to us today—and I am speaking primarily of Mr Lautenschlager's proposal—is not entirely satisfactory. It seems to me that this is because it attempts to reconcile two ideas or objectives which are apparently difficult to reconcile within the same Assembly, where we are trying both to give the nine Member States a proper system of representation by taking into account the relative numerical sizes of their populations, and at the same time to ensure a system of proportional representation for those populations. The two principles are at odds with each other and the decision we have reached seems to me incompatible with either.

Outers

This is no new problem. All states throughout the world which have adopted the federal or confederal pattern have had exactly the same difficulties. But I am obliged to point out that they have solved them by a different method from the one we are adopting today. They have observed these principles by creating two Chambers, one representing the populations, which consequently takes account of the numerical size of the populations in question, the other representing the states and comprising an equal number of representatives according to the number of nationalities or states. In the United States, for example, the State of Nevada, which is a desert with a necessarily small number of inhabitants, has exactly the same number of representatives as the very populous State of New York. To deal with such a situation they have created two assemblies, and one of them, the House of Representatives, corresponds completely as regards what one might call its 'political geography' to the 'human geography' it claims to represent. If I may, I should like to reply to an interruption made during Mr de la Malène's speech; reference was made to the French Senate, but there again, and I repeat, that is a second Assembly. Consequently, that point did not seem particularly relevant.

We are now trying to combine these two ideas, but in my view the plan providing for 355 Members conforms neither to the first principle nor the second. I do not consider that the relatively small States—and I am in a good position to talk about them, since I come from one where the population is not very large—receive any outstanding safeguards; I would have preferred to see them represented in a second Chamber, and in fact the report before us does refer to the possibility that a second Chamber for Member States will be created at some unspecified time in the future.

But what is the present situation? I have made some calculations and I find that in certain countries there will be three or four representatives for every million inhabitants, while in others there will be only one. I have even found that the proportion within one country may vary between 1 and 17. And this is what you call 'representation of the peoples'. I doubt whether the peoples are going to feel particularly well represented so long as such blatant discrepancies exist. I repeat, therefore, that the only satisfactory solution to this problem is to set up two Chambers.

May I now in a short aside comment on the rather paradoxical attitude adopted by certain persons. I find that it is the most ardent advocates of supranationality—which means a com-

pletely integrated Europe, where by definition the rôle of individual states will be gradually whittled down and may even disappear one day—who are now becoming the keenest supporters of a solution which consists in further sanctifying the existence of these states and increasing their representation. Universal suffrage in an integrated system usually means 'one man, one vote', whereas the compromise we have now, as can be seen from the statement of the grounds on which it is based, tends to favour certain Member States at the expense of others. Of course, I am not opposed to such a solution but only to the way in which it has been implemented.

The second problem I should like to deal with briefly is that of the uniform procedure. At this point I should like to pay tribute to the mental gymnastics of the lawyers who, since 1960, have managed to convince us that the uniform procedure in all Member States, referred to in Paragraph 3 of Article 138, actually means that the procedure may be different in each of the Member States. I personally see this as a legalistic *tour de force*, but I am not saying that the neat way in which this volte-face has been given legal sanction is a bad thing in itself. Nevertheless, I think that one day we shall have to turn towards a solution that pays more regard to the texts. Of course, there is some mention of this in the Draft we have before us, and in Article 7, in particular, we are told that the European Parliament will draw up a proposal for a uniform electoral system by 1980. What worries me is that we are not told what will happen if the work which has been going on since 1960, that is, the search for a uniform procedure, fails to produce results by 1980; or by 1978, since another date is now being mentioned. Does this mean that paragraph 1 of Article 7 is no longer applicable, and that the second paragraph is to be applied automatically? The text is not very clear in this respect, and I think that, in view of that hypothetical situation, we should be given more precise information so that we do not end up in a kind of legal void.

My third observation concerns Article 5. I have no criticism of it, in fact, I voted for it in the Legal Affairs Committee. If I may remind you, this article refers to the dual mandate of national parliamentarian and European parliamentarian. For the time being, this dual mandate is permitted in principle. It should end in 1980 and I think this is the right solution. It is a good idea to provide a preliminary, transitional solution, but I do not quite understand the explanation given in Mr Lautenschlager's report. He tells us that at that point the rôle of the states will be less important in the As-

Outers

sembly, as there will then be a second Chamber—a Chamber of States. But I see that Article 7 of the Draft makes no mention of an institutional reform, only a reform of the uniform electoral system. The argument thus loses much of its weight if one keeps strictly to the text of Article 7 as worded at present.

One final observation, Mr President. The report by the Legal Affairs Committee mentions the complaint of failure to act referred to in Article 175 of the Treaty for cases where proposals made by our Assembly are not taken up by the Council. There is, however, another situation where a complaint of failure to act may arise, and of which nothing has been said—I am thinking particularly of cases where states fail to act.

This is no academic theory. Suppose a state were to fail to implement the electoral procedure to which it was normally bound. I repeat, this is a possibility we must bear in mind, for it cannot be totally excluded. For example, in spite of the requirement of Article 138, representation in this Assembly is not complete, since one Member State has not yet sent its full complement of representatives. One might even question the composition of this Assembly on the very grounds that one Member State has not yet designated all its representatives. What would happen if this state, or any other, were to adopt the same attitude? What would be the situation then? As far as I am concerned, these states should be compelled to choose between observing the Treaty and leaving the Community.

That concludes the observations I wanted to make regarding the text which has been put to us, Mr President. In spite of its shortcomings, I shall vote for the Draft as a whole, because, basically, it is a valid aspiration. I see it as a useful and adequate method of achieving the European revival we all desire. Furthermore, it embodies by its very nature the democratic ideal to which the peoples of Europe are so deeply attached.

(Applause)

President. — I call Mr Cifarelli.

Mr Cifarelli. — (I) Mr President, I am very grateful to the colleagues in my Group for giving me the opportunity to speak on this important problem. This allows the voice to be heard in a debate of such great significance of one reared in a democratic school of thought and an Italian political tradition which is closely linked with the problem of European unification.

Next to the monuments in memory of Churchill and Adenauer at our seat in Strasbourg there is another, presented to the European Parliament by the Mayor of Genoa, in memory of Giuseppe Mazzini, the apostle of Italian unification, which even at that time was modelled on the unification of Germany, the unification of Poland and above all the democratic unification of Europe. I want to stress this fact not because my concept of democracy has any need for heroes, even if I respect a great historical figure, but because I believe that our judgement must always be based on a historical awareness which must help us set our aims realistically.

While thanking Mr Patijn for his work, I should like to stress that, seen from this angle, this very comparison, this juxtaposition of the young parliamentarian, Mr Patijn, and a Nestor of the European Parliament like Professor Dehousse, means a lot to those who, like myself, are rather older than Mr Patijn. In the early 1950's Mr Dehousse's generation was moved to see politicians in the same European assembly debating together in the languages of the peoples which had been involved in two European civil wars, i.e. the First and Second World Wars which had wrought such damage to our continent's future. Mr Patijn's generation has grown up with this reality of peace among Europeans and hence might now be inclined towards maximalism. However, I must give credit to Mr Patijn for drafting his report in gradualist and concrete terms which should now be given full approval.

Leaving apart the legal aspects of Mr Patijn's draft, which have already been dealt with by Mr Schmidt, and other considerations and reasons behind our vote, which will be outlined by Mr Broeks, I should like to underline certain points which I feel are most important. First of all, this debate is taking place in a spirit which excludes grandiose self-congratulation. We do not feel that a decisive change is being made, one that will transform the face of Europe, even if it is a positive and highly significant step forward. Mr Ortoli's arguments this morning were, in my opinion, highly pertinent and lucid. We are not making this advance, let it be noted, in an attempt to implement what might be termed the Kirk thesis. As you will no doubt remember, when the United Kingdom representatives entered this Assembly, their spokesman, Mr Kirk, quoted a British maxim: Parliament may assume to itself any powers which are not absolutely forbidden to it.

We have to admit that in all these years we have not applied this teaching, or statement of experience, nor have Mr Kirk and his friends in this Parliament. It was the recent Summit which finally gave expression to the feelings of public

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opinion of the citizens of Europe, of the peoples of Europe, and—as we all know—laid down in paragraph 12 that Parliament is associated with the achievement of European unity, that elections to Parliament by direct universal suffrage must be held as soon as possible and that Parliament will be given greater powers, including legislative ones. This, I would say, is the crux of the matter, and although it would be foolish to be over-optimistic or to imagine that the battle is already won, we may fairly consider the possibility of elections by direct universal suffrage by 1978 as the point of no return as regards the democratic future of the Community institutions. Not because this will give Parliament the democratic legitimacy which it has hitherto derived from the Treaty and the fact that we are elected by the people to the national parliaments which then appoint us here, but because, faced with the growing tasks of the Community and the increasing demands of Europe at a time when the future of the Community is particularly at stake, we can now look forward to elections to the European Parliament by equal and direct universal suffrage at the very moment when we have achieved something else. Quite apart from the commitment undertaken in paragraph 12 by the Heads of State and Government in December last, we have fought for and obtained something else, namely substantial budgetary powers, the acquisition of which represents a resounding vindication of Parliament.

Against this background we can now reply to certain questions which have arisen in today's debate. You heard Mr Outers a moment ago say that, in fact, this House (as elected by the methods laid down in the Draft Convention) will be an unsatisfactory cross between a parliament of the people and a parliament of states. He referred—we all agree that this is the model—to the American constitution, which provides for two Houses, a model which, moreover, exists not only in the United States of America but also in Switzerland and elsewhere. Well, I would like to read the following section from the 1974 Summit communiqué: 'the European Assembly is composed of representatives of the peoples of the States united within the Community'.

It might seem superfluous, but I think that the European Parliament should include not only the representatives of the peoples but also a Chamber of States.

Ladies and gentlemen, in approving these proposals, which are gradualist and concrete, we must not forget that certain basic problems, such as some consequences of the principles incorporated which we may find troublesome, are due to the present situation and its limita-

tions. But let us hope that the future offers better prospects!

This morning Mr D'Angelosante advised us not to abandon lightly the conditions laid down in paragraph 3 of Article 138 of the Treaty. Admittedly, if you want to look for hidden meanings or if you fear that in the future there will be a lack of political resolve to achieve progress, it could be dangerous to scrap paragraph 3 of Article 138 of the Treaty of Rome. And indeed, Mr D'Angelosante's comment that the ideal electoral system, at least as far as representation of citizens is concerned, is the proportional system, is perfectly true from a democratic point of view. However, I would like to say to Mr D'Angelosante that to think we cannot strengthen the democratic roots of the European Parliament before the electoral system is in force is tantamount, in the words of the ancient poet, to sitting on the bank of the river and waiting for the water to stop flowing before crossing to the other side. I should also like to tell Mr D'Angelosante, and I do not think he will mind my doing so, that his theoretically correct but basically maximalist position reminds me that Lenin defined maximalism as 'one of the teething troubles of Communism'. As far as Mr D'Angelosante is concerned, this judgement can be applied to his Europeanism.

Obviously, with this concrete outlook and awareness of the past and of the future prospects, I cannot accept the somewhat sceptical approach of Mr de la Malène who, once more, gave an airing to certain of his Group's familiar clichés. We are ready to do everything for Europe, he says, but Europe needs to be independent.

In actual fact, of course, Europe needs to be created first; it needs to live. By the very fact if its existence, inevitably, and yet with total realism in its political expectations, Europe will want and be able to be independent, and will accept an autonomous and decisive rôle in the world vis-à-vis America, Russia, the sheikhs and other forces and situations which may arise. But if we do not create a united Europe our situation will be impossible.

Looking back we recall with emotion the years of the great illusions, the 50's, when the fathers of the European Community maintained that it was sufficient to convoke a parliament which could declare itself sovereign and act as a European constituent assembly.

It was a time of courage and noble ideals, the time of the ad hoc Parliament when basically everybody had in mind the example of the French Revolution and the Oath of the Tennis Court.

Cifarelli

However, there was no revolution in progress but rather a painful struggle for moral and material reconstruction in a world divided into opposing blocs. Today's world is still divided and possibly irreversibly so, but something was achieved in yesterday's Community. In the 50's there were too many illusions; in the 60's there were too many obstacles, both hidden and open, and too much scepticism. Maybe now we can start to work on a more concrete and constructive basis. I should like to finish by saying that we must never forget how states are created: they are created either by force of arms, or by peaceful and democratic means, or by revolutions, with the exploits of conquerors, as has happened so often in the past, or they emerge from the will of the people. I feel we must do everything to allow this will to be expressed as fully as possible. Commissioner Spinelli will remember the great debates we federalists had on the question of the European people. Let us allow the European people to express itself, we said: years ago we really thought it possible to arouse civil disobedience in Europe as did Gandhi when fighting to awaken his people and gain independence for India.

Let us give this European people the opportunity to speak and vote and let us make ourselves heard by these citizens of Europe.

This morning I was astonished to hear a Member protesting against the presence of radio and television from various countries, with their men and their equipment. We ought to be rejoicing, since this is surely our objective: to speak to the European people in the hope that we shall in the very near future be the increasingly effective representatives, not of nine peoples, of nine States of the Community, but of the sole protagonists of the free, just and civilized Europe we seek, i.e. the European people.

(Applause)

President. — I call Lord Gladwyn.

Lord Gladwyn. — Mr President, I should like first, if I may, to express all my admiration for the way in which our rapporteur has succeeded not so much in cutting as in actually untying several Gordian knots. His scheme is, undoubtedly, the one most likely to gain general support, more especially, as the Liberal Group believes, now that he has accepted this smaller number of 355. It is also evidently the fruit, if I may say so, of tremendous and patient endeavours during the past year to reconcile all sorts of conflicting tendencies. In Mr Patijn, we have the makings of a real statesman.

My dear colleagues, this is a great day for Europe and more especially for the Liberals, who have always been in the vanguard of progress towards European unity. But there are still many lions in the path. After all, the Ministers will have to approve a draft convention—and it is hoped they will do so after long and free discussions with this Parliament—by unanimous vote, and then all the national parliaments will have to ratify it. Nor will the Ministers even give preliminary consideration to the Convention until the question of British membership is out of the way, and when and if they do achieve unanimity—that will be no mean feat—it is by no means certain that all the Nine national parliaments will follow suit. After hearing Mr de la Malène this morning, we must, for instance, be in some doubt whether the French parliament will do anything of the sort. Mr Jozeau-Marigné has already, most eloquently, explained the opposition, in general, of our group on the main issues, so this afternoon I shall limit myself to some short remarks on ways and means of getting round some of the still remaining stumbling-blocks.

First, the question of the weighted representation in this Parliament of the smaller states. To my mind, this proposal cannot possibly be dissociated from the possibility, or otherwise, of establishing a Chamber of States or Senate in the Union which it is, after all, still the declared intention of the Nine governments to achieve in 1980. For, if such a proposal goes through, it will be evident that, as under the American system, the smaller members of the Community will by reason of that fact alone, by being members of the Senate, possess power out of all proportion to their size. If, in addition, the Council, or the European Council, is going increasingly to take its decisions by qualified majority vote, as proposed by the French President himself, the smaller states, or some of them, by combining with one larger state, would also exercise a sort of collective veto, thus rendering their power and influence *pro tanto* even greater. It might well, therefore, be held by some parliaments that the grant of special representation to the smaller powers in this Parliament is hardly compatible with a Chamber of States. I only say that this is a view that may be held, and I hasten to add that I do not say this because I am opposed to any special representation of the smaller states in this Parliament. On the contrary, I am all for it. I am merely trying to draw attention to its likely consequences.

Then there is the matter which is likely to be the chief concern of the British parliament—namely, the vexed question of what is called the dual mandate. It is not that I believe that my coun-

Lord Gladwyn

try—once it has decided to stay in the Community—is likely to be particularly suspicious or nationalistic, or more suspicious or more nationalistic than any other. But there is little doubt that for many years it will wish itself to have, if possible, what I might call a say in the proceedings of the Community and that it would thus greatly prefer some system providing for what is known as an 'organic link' between Westminster and Strasbourg. And such a link can, in practice, only be achieved by some form of dual membership, even if it is only of a limited and temporary nature such as that proposed by Mr Patijn, unless I have got him wrong.

It is no doubt useless to say this—since the die has now been cast, and after all cast by the Ministers themselves—but I myself have always thought that the best way to arrive at a fully European system of direct elections would be to have a preliminary period of, say, 10 years during which the existing (nominated) parliamentary delegations—possibly doubled in numbers—were directly elected by means of each nation's choice while remaining, technically at least, members of their national parliaments. That, of course, at the moment is out. But this would at least have resulted in an organic link, and at the same time put an end to the present system whereby—in the United Kingdom at least—a member of the House of Commons, if he takes his European duties seriously, is faced with the prospect of a nervous breakdown, or the disruption of his family, or the loss of his seat, or possibly all three.

(Applause)

Is it therefore conceivable—I repeat, conceivable—that it would still be compatible with Article 5 of the proposed Convention for the British Parliament, pending agreement on a uniform electoral procedure—which may well take years, even after the new parliament has been elected and is actually exercising its powers—to introduce a system whereby the British elected members of the European Parliament were also deemed, in some way, to be members of the British Parliament? If the total membership of the European Parliament is fixed at 355, an addition of 67 to the House of Commons—or less if some were in the Lords—might perhaps be an inconvenience that could at least be tolerated. (Of course, if it were a question of accepting an additional 116, it would be out of the question.) So I would ask the rapporteur whether, in his view, such a solution is possible. Of course it would only be a provisional solution. In the long run, no doubt, the principle of incompatibility would have to be accepted. I don't deny that. But surely the great thing is to get the new directly-elected parliament functioning as soon

as possible: a uniform electoral procedure, agreement on which might well not be possible for years, seems to me at least to be a secondary consideration.

Had time permitted, which it does not, I would have also liked to refer to regional representation. However, my colleague Russell Johnston will doubtless deal with that. For my part, I would only just say this. My own hope would be that a British delegation of 67 would provide sufficient representation, not to an independent Scotland or Wales, or an independent Brittany or Bavaria for that matter, but for an adequate number of Scots, Welsh, Bretons and Bavarians, who would largely account for their actions to some regional assembly with limited if real powers.

Be that as it may, I repeat that our vote tonight is likely to be a great day for Europe and that no one more than myself will rejoice if Mr Patijn's conception wins tonight an overwhelming vote.

(Applause)

President. — I call Mr Scelba.

Mr Scelba. — (I) Mr President, I should like to make a few criticisms of the provisions laid down in Mr Patijn's draft. I agree, of course, with the basic principle and the urgency of proceeding to the vote; I have been campaigning for it for 15 years, so I need not stress the desirability of speeding up the democratization of Parliament.

My remarks are aimed at offering the rapporteur and Parliament reasons for certain improvements to the draft submitted to the Council of Ministers, who will have the last word—certain alternatives on the assumption that the differences of opinion expressed in this Parliament regarding certain provisions in Mr Patijn's draft will again arise in the Council.

For practical reasons I shall follow the text of the draft as presented by the rapporteur.

Article 2 refers to the number of Members and the breakdown by State.

As regards the number of Members, the 1960 draft provided for a threefold increase in the current number. This was based, however, on a Community comprising six States and a threefold increase would have resulted in a Parliament of 426 Members. But taking the same criterion for a Community of nine States, we would now have a total of some 600 parliamentarians.

Divergent views have already been expressed in this House regarding the number of Members

Seelba

and I shall not opt for one solution rather than another. Personally, I would be in favour of doubling the current number of parliamentarians, in line with a proposal made in view of the enlargement of the Community by the Bureau of Parliament when I was president. Double the number of Members for nine countries would result in a Parliament of around 400, which is a fairly reasonable figure even allowing for the possible accession of other countries. But if it is desired to increase our numbers, the present figure could be multiplied by 2.5 or 3.

The other problem regarding the breakdown, is a more delicate one from the political viewpoint.

On this point Mr Patijn's draft differs clearly from the Treaties of Rome and, in fact whereas the Treaties of Rome had established a weighted distribution of seats among Member States, Mr Patijn's draft uses different criteria. I totally disagree with the proposal made in Mr Patijn's draft. The authors of the Treaties were great democrats and knew full well the value of attaching more or less equal importance to each vote while agreeing to more relaxation of this rigid criterion. The proposal to attach the same importance to the votes of all countries in the Community came from the Gaullists for controversial reasons as they were opposed to direct elections to the European Parliament. This draft, however, would now reduce the number of French representatives in the European Parliament. I am not speaking for Italy, which would benefit from Mr Patijn's draft, but I do think that to break away from the criteria laid down in the Treaties of Rome is a political mistake; these criteria were based on a great number of considerations which are still valid. Furthermore, I cannot imagine France with fewer Members in the European Parliament than Italy, the United Kingdom or Germany. Nor do I think it possible, Mr President. We members of this Parliament must avoid creating problems for the Council of Ministers. There must be special reasons for breaking away from the system specified in the Treaties; I personally fail to see them and am therefore in favour of maintaining the system of distribution of seats as laid down in the Treaties of Rome.

The other point I should like to comment on is paragraph 2 of Article 4 which reads: 'National legislation shall ensure that the representatives receive the same guarantees as to independence, indemnity and immunity as their counterparts in the national Parliaments'. This is an error, Mr Patijn; why assign these guarantees to national legislation? It is Community law that establishes the criteria of independence for European parliamentarians and these criteria

must also be accepted at the national level. Why reduce a Community criterion to a purely national level? I am thus opposed to paragraph 2 of Article 4.

Article 5 deals with the problem of compatibility of the two mandates. Enough has already been said on this score. I should like to remind everyone, Mr President, that a transitional period, as in the present draft, was also contained in the 1960 draft, but with completely different criteria. In 1960 we had provided for a transitional period in which one third of the Members of the European Parliament would be elected from national parliaments and the other two thirds by universal suffrage. This was to ensure that qualified parliamentarians would participate in the European Parliament, especially in its initial stages. Now, in contrast, all the Members of the European Parliament are to be elected by universal suffrage even if they have a national mandate.

I would now like to ask if there is a single parliamentarian in this House who would be prepared to stand as candidate for the European Parliament after already fighting an election campaign for his own national parliament and risk being defeated. To my mind no parliamentarian elected to his national parliament would be prepared to fight a second election campaign for the European Parliament when the issue is doubtful; in any case, what would be the advantage?

But this may only be a practical consideration. The real grounds for dispute are on pages 23 and 25 of Mr Patijn's report which clearly rejects compatibility of the two mandates. I therefore support this position and believe the dual mandate to be incompatible even for a transitional period merely limited to the first legislative period in 1978.

Mr President, I should now like to pass to Article 6, paragraph 2, which states that 'Subject to the entry into force of special rules pursuant to Article 7(1) of this Convention, the provisions of each Member State relating to incompatibility with a national parliamentary mandate shall be applied'.

Forgive me for saying so, Mr Patijn, but if you had known more about the 1960 draft you would not have suggested this provision and the Political Affairs Committee would not have approved it since there is an enormous difference between incompatibility for election to national parliaments and incompatibility for election to the European Parliament. In Italy the mayors of towns consisting of 40 000 inhabitants cannot be elected to the national parliament. But why should any such mayor not be allowed to be elected as a Member of a European Parliament?

Scelba

The 1960 draft included a regulation which has been completely invalidated, if I may say so, by this new provision.

And now to Article 7 which states that a proposal for a uniform electoral system will have to be approved by 1978. Let us not deceive ourselves, the draft we approve today will last beyond 1980. It is easier to square the circle than to create a uniform electoral system which reconciles the proportional system with the majority one.

We shall never find a solution acceptable to the British, to the Germans, and to the countries governed on a strictly proportional system. Thus, the current system which allows Member States the choice of electoral system will certainly last beyond 1980. I would therefore not take 1980 as the deadline but leave the task of deciding on a new electoral system to the future Parliament elected by universal suffrage. To fix a specific date for that decision seems to me entirely unrealistic.

Article 14, Mr President, is particularly serious in that it assigns the Council of Ministers the task of making provisions for the implementation of direct elections to the European Parliament. These are legislative and not substantive provisions which are already contained in the Draft Convention. We are continually protesting against the Luxembourg Agreement which provides for unanimity and demanding the majority criterion provided for by the Treaties, and then we go and oblige the Council, in our Convention, to adopt by unanimous decision simple provisions for the implementing of elections to the European Parliament by direct universal suffrage. This is really too much, Mr President. It would even enable each state to prevent elections by universal suffrage. May I ask who will foot the bill for elections to the European Parliament? The European Community or the individual Member States? In the latter case, any one state finding itself in financial difficulties and unable to bear the cost of a second election to the European Parliament can make use of this provision of unanimity to prevent elections.

This is really a step backward rather than a democratic step forward.

My final remarks concern Article 15 which provides for the repeal of Article 138 of the EEC Treaty and the corresponding Articles 21 of the ECSC Treaty and 108 of the EAEC Treaty. I am against the provisions laid down in Article 15. The articles in question form the basis of direct elections and I do not see why we should cancel them.

This is a debasement of Community values in that the Treaty obligation would be merely transferred to the Council of Ministers.

Mr President, as you can see, my remarks are not dictated by any conservative attachment to the past but by democratic consideration. The European Parliament is an expression of real and effective democracy and I cannot agree to the Council's being assigned the task of establishing, by unanimous decision, such important provisions.

These are the comments I should like to bring to the attention of the rapporteur and the House. One final point, Mr President, regarding Article 8 which states that 'the provisions governing the admission of political parties to elections in each Member State shall apply to elections to the European Parliament'. The corresponding article in the 1960 draft specified that the admission of political parties to elections in each Member State should be governed by constitutional provisions. For example, in Italy it is written in the constitution that a fascist party has no right of citizenship. But it would be inadmissible that a government should limit by statute the participation of political parties in elections to the European Parliament. I consider the deletion of the reference to the constitution to be an undemocratic step and am thus opposed to this change which is a step backward compared with the 1960 position.

Mr President, it was not my intention to patronize the 1960 draft, but I must say that the persons who drafted it were closer to the spirit of the Treaties than we perhaps are and were more inspired by the ideal of a united Europe than we can be said to be today.

(Applause)

President. — I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith. — As time is precious this afternoon, I shall confine within a single sentence my respectful congratulations to Mr Patijn on his devoted and conscientious labours in producing this report.

There are, I think two reasons for the introduction of direct elections. The first is, of course, a reason of law. The Treaties require it. Article 138 (3) is mandatory and there is therefore an obligation. Both states and individuals should be astute to fulfil their obligations. If it is of course an obligation which could only be removed by a formal amendment of the Treaty. As things stand, there is in law a discretion only as to the methods by which this result should be achieved. The result itself of direct elections is a clearly imposed obligation.

Walker-Smith

The second reason is rooted in the philosophy of representative institutions in a democratic society. It is axiomatic that the status and significance, the strength and the authority of any parliamentary assembly depend on the closeness of its links with those it seeks to represent. The more direct the link, the broader the base on which the representative character of parliament rests. In a democratic and politically sophisticated society, indirect elections, representation by nomination, a delegated authority, cannot in principle be a wholly effective substitute for those closer and more intimate links between parliament and people, between the represented and the representative. Public participation is a basic ingredient in the practice of democracy. These two considerations of law and principle are in my view the real and sufficient justification for instituting a system of direct elections.

For myself, I would prefer to have the case put solely on the firm ground of these considerations. I would have preferred that in the preamble it had not been found necessary to invoke abstract terms such as the process of European unification and integration, which are generalized aspirations and mean different things to different people. For the avoidance of doubt, Mr Kirk mentioned the implications for federation and fairly said that direct elections might bring it nearer or might take it further away. In my view, direct elections neither need nor should be put forward as a means to achieve and expedite full political federation. Some within the Community want this. Others do not. And the views of the citizens of the Member States must await a clearer and more defined expression until direct elections are in operation. What will happen in the long run, I do not pretend to say. I do not court the risks of prophecy in an uncertain and unpredictable world. But the constitutional position is clear. Federation is not part of the Treaties, neither expressly nor by necessary implication. To move to a full political federation would require new treaties, in turn requiring ratification by the individual states. What cannot be done, or properly done without amendment in due constitutional form, is to extend the existing Treaties beyond their prescribed and proper compass. If that were done, then it would be open to any Member State in the classic phrase to say, *non haec in foedera veni*: these are not the treaties to which we subscribed.

Against that general background, Mr President, may I make a brief comment on three matters arising under the report: the links with the national parliaments, the uniform procedures, and the number and distribution of representatives. Eighteen months ago, in this House,

I stressed the necessity of close cooperation between this Parliament and the national parliaments, to ensure that each in his own sphere achieved democratic supervision and parliamentary scrutiny over the whole range of executive activity and decision-making. I believe that a directly-elected European Parliament must continue to respect the rights and duties of national parliaments. I believe that direct elections will actually increase the need for this close cooperation and understanding between parliaments. It would certainly be highly undesirable if direct elections resulted in any tendency for these institutions and those who comprise them to grow apart. But equally, it may be more difficult to achieve that cooperation and understanding, and it may need a more conscious effort to bring about and maintain it when Members of the European Parliament are no longer nominated by their national parliament and many or perhaps most are no longer members of it. I believe that after the first few years, at any rate, common membership will be the exception. This does not mean that I disagree with Article 5 and its acceptance of the principle of compatibility. On the contrary, I think it right in principle to allow it and right to leave it to the discretion of the Member States. It will, however, be a matter of logistics as well as law. What is not forbidden in law will in many cases be prohibited by circumstance, or at any rate severely limited. A directly-elected Member of the European Parliament will serve perhaps half a million people. The difficulties of the dual mandate and doing justice to both are too obvious to need recapitulation. There are, of course, ingenious schemes to overcome the difficulties, but some Member States may find it difficult to accept them.

There may be a tendency to regard them as fancy franchises, too far removed from the traditional conceptions of parliamentary institutions with which they are familiar. I think, therefore, we would be wise to recognize from the start the likelihood that common membership may well be rare and might, indeed, become extinct. It is better to recognize this now, because it emphasizes the duty of planning to ensure the necessary cooperation right from the start and evolving the procedures for continuing contact and coordination. The different parliamentary traditions, the varying practices and divergent procedures of the Member States, are likely to create difficulties in evolving a satisfactory and acceptable uniform pattern of election procedures.

To solve them I think we must pursue the aim of maximum flexibility. I welcome what is said in the Patijn report on this matter, and welcome what is said in the Legal Affairs Committee's

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report, that only certain basic requirements of democratic elections should be declared indispensable, and that European elections must be free, equal, secret and direct.

That brings me to the last matter, the number and distribution of representatives. Ideally, I would think, to the four requisites specified by the Legal Affairs Committee should be added a fifth. Elections should not only be free, equal, secret and direct. They should result as nearly as possible in parity of representation. In a practical world this may well be difficult to attain; but it is, after all, the democratic ideal, and the suggested distribution falls a good way short of it. Indeed, it will be possible for citizens in some parts of the Community to say that they only command perhaps one-tenth of the representation of others elsewhere. That may be an extreme case, but the citizens, for example, of Northern Ireland with their representation based on the United Kingdom formula will have a considerably lower representation than that of their neighbours in Eire. There are reasons for this, as we know; but we should not disguise the fact that a high price is exacted by way of derogation from the principle of parity of representation. The price is, of course, highest with the proposal for 335 seats. At least with 550 seats the disparity is confined to the first 6 seats. With the 355 formula there would be a continuing process of discrimination and diminution: the larger the population, the smaller the representation. What is needed, I would think, is a Parliament, not too unwieldy, in which inequality of representation is reduced to the minimum possible.

I conclude, Sir, by saying this: we are not likely to get a perfect system in this imperfect world, or one that is wholly acceptable to everybody. We are, however, under a duty to devise a system which represents the highest common factor of what is equitable in principle and practical in operation.

And we must bend our efforts to the discharge of that duty and to the strengthening of the democratic workings of the Community, in cooperation with our national parliaments and with those citizens whom together we seek to represent.

(Applause)

President. — I call Mr Bordu.

Mr Bordu. — (F) Mr President, ladies and gentlemen, the Paris Summit has decided on the election of Parliament by universal suffrage. This decision impels us to make a certain number of observations.

As you are aware, we are keen supporters of the principle of universal suffrage—true to the traditions of the French labour movement and the great names of Guesde and Jaurès. In our own country we are striving to ensure a just framework for universal suffrage so that a real choice may be offered to the electorate. We wish to speak about proportional representation; the only system capable of giving a moral content to universal suffrage, in particular by eliminating all forms of discrimination.

Therefore we feel that the election proposed cannot be solely evaluated in its institutional context. Even from this point of view, we think that to speak of a democratic process being set in motion, to pretend that universal suffrage will give Europe a democratic face-lift, is to show a gross disregard for the consequences and the grave shortcomings of such a step. Indeed, can anyone seriously claim that the States and majorities, which are today strengthening their authoritarianism, will tomorrow contrive by some sleight of hand to produce a democratic structure for Europe?

One might be tempted to define the concept of democracy, which is not merely based on the right to vote but takes into account the nature of the policy carried out. The real truth of the matter is that a handful of financial giants, backed by their governments, are deciding the fate of 250 million Europeans, the large majority of whom are workers—victims of the accumulation of thousands of millions of inflationary dollars, victims of austerity, victims of a system in a state of crisis.

It would be rash to assume that the legality of universal suffrage, solemnly confirmed on a European level, can henceforth abolish inalienable national obligations and characteristics. To ignore national sovereignties, even while paying lip-service to them, is to fly in the face of historical and social realities, to fight shy of the real reason for the troubles facing a capitalist Europe where the profit motive reigns supreme.

Can anyone claim to have the power to dismantle nations built up by centuries of struggle, suffering and hope? Can anyone but a sorcerer's apprentice attempt to meddle with the laws of historical development? Some of this was seen in the agricultural debates, and the process will shortly be renewed. The conflict of interests which sets capital against labour, sets certain multinational groups against each other, sets authoritarianism against democracy, shows that the solution to the problem is essentially a democratic one—a solution which instead of ignoring the masses brings them together.

Bordu

How can the peoples be brought together under a single European concept when Europe itself continues to be the lackey of big business? Indeed, what policy would be followed tomorrow by a European Parliament elected by universal suffrage? What would be the policy of a Europe whose desire for independence is broken down time and again by the crack of the American whip? Have not the Heads of State of the Member countries been congratulating themselves on the fact that the meeting in the West Indies made certain France would come back to the Atlantic fold, even though one of the safeguards ensuring both European and national independence was destroyed in the process? No doubt you will say that, in deciding on universal suffrage, the Summit wanted to give this Parliament, and a certain number of impatient parliamentarians, a kind of gadget to keep us happy for several part-sessions to come and which has already helped to make today a kind of grand historical event. But we ourselves do not attach so much value to it.

Parliament is going to take a decision, but do we know how many countries the European Community will in future consist of? Was there some desire to gratify France, whose term of presidency was about to expire? As far as we are concerned, there can be absolutely no question of approving a procedure which will fly in the face of the countries' desire to choose their own destiny, to decide their own future. Many speakers have referred to an elected Parliament which, they say, ought to be granted real powers in order to overcome the so-called selfishness of the various nations.

So let us say, in advance, that we cannot accept that a European parliamentary majority, indeed, any majority whatsoever, including an American one, should take France's decisions for her, or should oppose our national policy as laid down in the joint programme of government of the Left.

In the present circumstances, universal suffrage, far from being the solution to our problems, merely dodges them.

Of course, we do not doubt the honesty of those who sincerely believe that this action will take us some way along the road to democracy. Although we agree with the principle on which it is based, we assert that as a political reality it is devoid of meaning. It is for this reason, following on the statement by our comrade and colleague Mr D'Angelosante, that we shall abstain from voting on this question.

(Applause)

President. — I call Mr Lenihan.

Mr Lenihan. — Mr President, I think that this is a very important debate and one which, I am very glad to say, has been given greater emphasis by the recent communiqué from the Summit. I think it is important, in order to bring a realistic element into our discussion here, that we have regard to what the Heads of Government said at the recent meeting. First of all, I would refer to paragraph 12, in which they 'await with interest the proposals of the European Assembly, on which they wish the Council to act in 1976'—that is, next year—and add: 'On this assumption, elections by direct universal suffrage could take place at any time in or after 1978.' Now there is a request to us to act immediately and in a practical manner, and for that reason I welcome the Patijn report which we are discussing here and which has emerged now with the Political Affairs Committee's recommendation at an appropriate time after the Heads of Government have made their point of view known. The most fundamental matter before us in the recommended Convention is that we have direct universal elections on one day throughout the Community and have them every 5 years. This is fundamental in order to ensure the participation of all European peoples in the election of this Parliament. It has been the absence of that participation, in my view, that has detracted from the moral and legitimate authority of this Parliament over the years. The proposal to hold direct elections on a specific day every 5 years will immediately draw the interest and invite the direct participation of our peoples in the European parliamentary system. I hope that, again in accordance with what the Summit has suggested, we shall now dispose of the sterile argument on which should come first—direct elections or increasing the powers of Parliament. Let the two go hand in hand between now and 1980: gradually increasing powers for the Parliament, and achieving by 1980 a positive system of direct elections. In my view, the two should not be regarded as being in conflict: they should evolve together in a complementary manner. Indeed, I might say that the Heads of Government have emphasized that fact in the fourth paragraph from the top of page 5 by saying: 'The competence of the European Assembly will be extended, in particular by granting it certain powers in the Communities' legislative process'. And they say that following on their guarantee of support for direct universal elections within the Community. In my view, it is also important, having regard to the timetable that has been set by the Heads of Government, to be practical with regard to aiming at a universal system of elections by 1980. In practice this is not possible. The electoral systems in the different countries of the Community vary to

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an extraordinary degree. In my view, the system of proportional representation, preferably with the list system as operates in the Netherlands, should be operated universally on either a national or a regional basis in time. If we go after that particular objective, we shall be years getting agreement on it. That is a personal opinion.

For the time being and, indeed I feel for some considerable time, we must be realistic and leave the system of elections to the national system obtaining in each Member State. That will have to remain the case even though we shall be making from this House our own recommendations about what we consider to be the desirable system of European elections. In practice, it is going to take some considerable time to have anything like that implemented.

Another respect in which I regard the report as being very practical, because of the importance once again of getting something done as quickly as possible, concerns the vexed matter of the dual mandate. I believe that Article 5 as proposed in the Convention is very well worded in this respect in that it merely states in a bald fashion that membership of the European Parliament shall be compatible with membership of a parliament of a Member State. In other words, the situation is open and completely flexible, and while, as an earlier colleague has stated, in practice most members coming to the European Parliament, developing as we hope it will develop, will be whole-time members of this Parliament, at the same time it should not be ruled out that in particular cases there may be people who participate in both their national parliaments and the European Parliament. Therefore this should not be ruled out, even though in the ordinary course of events it will not be the case. But I am very glad that it is not regarded as being incompatible. It is still compatible, and that is a sensible approach to take.

There is one matter on which I should like to take issue with the Political Affairs Committee and agree with Mr Patijn's original proposal. This concerns the question of national representation in this Parliament, to which Mr Scelba has already referred. I feel that until we have a uniform system of elections throughout the Community it would be very unwise to insist on the one-man-one-vote principle rigidly throughout the Community, because the electoral systems existing in various member countries already conflict in many respects with this principle. If one were to decide, in advance of having a universal system of elections, to adhere rigidly to the one-man-one-vote principle, that, in my view, would be a very unwise development

and would only entrench electoral distortions that exist in Member States; the logic of events calls for some continuation or adaptation of the existing national representation in the present Parliament. The present representation stands at 198. It could be doubled, it could be trebled. I don't think it should be trebled. I say again that the number which Mr Patijn has put at 335 is about right but we should either maintain the proportion of national representation which exists in our present 198 and preserve that 198 or double that figure or, alternatively, adopt the arrangement which Mr Patijn recommended in his original report and which was subsequently rejected by the Political Affairs Committee—that is, a weighted representation in respect of states with a population between 1 million and 2.5 million, of states between 5 million and 10 million, of states between 10 million and 50 million and in respect of states exceeding 50 million. Mr Patijn adopted an ingenious and, in my view, a very appropriate balance between national interests and population ('one-man-one-vote') interests, as set out on page 42 of the report, and a valuable compromise between the ultra-rigid one-man-one-vote principle, which can be very antidemocratic when combined with an electoral system that is not fair and proportional, and the present national divisions or propositions. It gives rise to a total of 335 which in my view is about right for a European Parliament. The proposal of the Political Affairs Committee to increase the membership of this Parliament to 550 would not, in my view, be accepted by the Council of Ministers and I appeal to this House to be practical in what it suggests. We must show ourselves to the Council of Ministers to be responsible people, and increasing the membership of this Parliament from 198 to 550 and all the consequent bureaucratic superstructure that that would involve would just not be acceptable to the Heads of State or Government or to the Council of Ministers at the present time. To bear out what I have just said, going back to the request which we have received in the communiqué from the Heads of Government, I would refer to page 5, where the Heads of Government state quite specifically: 'since the European Assembly is composed of representatives of the peoples of the States united within the Community, each people must be represented in an appropriate manner'. I finish on this note that we there have a very direct request from the Heads of State or Government to this Parliament to remember that we are not just counting heads, that we must in addition remember that each of the peoples within the Community must be represented in an appropriate manner. I think it can be done either by continuing with our existing scheme

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of proportionality or else adopting the very sensible balance which Mr Patijn has recommended. I do not think that the Political Affairs Committee's recommendation of 550 members in this Assembly, based on a head count throughout the Member States with their varying systems of election, is practicable by 1978 or by 1980.

We have made a great start in having this matter aired, but when making our final recommendation to the Council of Ministers we must ensure that it must be practical and above all else remember that the Heads of State or Government want practical action on this question by 1978, and if we submit ridiculous proposals to them they will be treated in the appropriate manner. In my view, Mr Patijn in his original report before it was changed and amended by the committee, sent forward to the committee and to this Parliament excellent proposals which would be worthy of acceptance by the Council of Ministers and by the Heads of State or Government. Thank you, Mr President.

(Applause)

President. — I call Mr Scholten.

Mr Scholten. — *(NL)* Mr President, ladies and gentlemen, the adoption of Mr Patijn's report should be an important step on the road to further development of a Parliamentary democracy in Europe. I might say that the direct election of this Parliament would be the fulfilment of a wish cherished by myself and my colleagues, and I am particularly gratified that a compatriot of mine, Mr Patijn, has played such an important part in the preparation of this debate and in the debate itself. As a Dutch Christian Democrat, I should like to add my congratulations to the many he has already received.

It is not only an extremely important step, but in view of its probable consequences, also a very radical one. Mr Ortoli spoke this morning of a step of major importance. And this applies not only to this Parliament, which, whatever the result of our voting on the amendments tabled with regard to its size, will inevitably be faced with an increase in the number of Members and an extended range of activities. It is a radical step particularly for the political parties to which we belong, since the national political parties will be obliged to form definite groupings at European level in order to contest these direct elections. New links will have to be considered and the existing cooperation perhaps extended. The political parties will have to draw up programmes at the European level, in which first of all their political principles are clearly

expressed, but which also deal clearly and unambiguously with the concrete questions currently facing the citizens of Europe.

We must bear in mind that the mere fact of holding direct elections to this Parliament is not in itself sufficient to involve the European citizen actively in European democracy. We must show the European citizen that his day-to-day problems and his direct interests are not only discussed, but also promoted in this Parliament. Mr Klepsch pointed out clearly this morning that for this reason we as European Members of Parliament must strengthen the link between voter and MP. That applies to us all collectively and individually. If it proves possible to keep to the proposed timetable before us—decisions in 1976 and elections in 1978—our parties will have to have established European-level political programmes by 1977. I must say that I personally share Mr Kirk's doubts as to whether it will be possible to keep to this schedule and I shall be pleased if these proposals have become reality by 1980.

With regard to the development of political programmes at European level it is encouraging to note that my own Christian-Democratic Group, for example, is already conducting detailed discussions on the drafting of a programme of this kind. Just as, despite all the criticism and negative commentary of our political opponents, the cooperation between the three Christian Democratic groupings in my country will lead shortly to the formation of a single Christian-Democratic union, the CDA, cooperation between like-minded parties at the European level must be developed further with a view to these direct elections. It would, after all, be extremely detrimental to the growth of a parliamentary democracy in Europe if the vigour and effectiveness of a directly elected Parliament were to be paralysed or at least severely weakened by excessive political fragmentation. We must therefore recognize that political confrontations in a directly elected Parliament will be much sharper than we have been accustomed to in the past. The present system whereby priority is given to reaching compromise and agreement will, in my view disappear completely on the introduction of direct elections.

Finally I should like to comment briefly on two central issues in today's debate, namely the number of Members in the future Parliament and the question of the dual mandate. As regards the number of Members, I and most of my fellow Christian Democrats will give our support to the proposal for 550 Members contained in Mr Patijn's report. We shall do so for the following reasons. Given a total population of 250 million, parliamentary representation by 550 men and

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women is by no means excessive, particularly in comparison with the existing national parliaments. Secondly, I would point out that in my view we should avoid being faced right from the start with an underrepresentation of the large Member States. This may sound a little odd coming from a representative of one of the smaller Member States, but I feel that the European cause would suffer if the citizens of the large Member States were to get the idea that they were underrepresented in comparison with the smaller Member States. This would not promote confidence in the representative character of this Parliament. Thirdly, society in general and thus political life, too, has become and continues to become much more complex. This means that Members of Parliament must be better informed if they are to be in a position to make political judgments. In this light 550 is not an excessive number of representatives for the entire population of Europe.

This last remark should leave no doubt as to my firm conviction that the dual mandate must be eliminated. Already it is a source of almost insuperable problems and in the future it will certainly be impossible to fulfil both tasks efficiently. The question is, however, whether we should leave this decision to the national parliaments and the national political parties as proposed in Mr Patijn's report, or whether we must arrive at a central binding decision, as proposed by Mr Lautenschlager.

I feel that, in general, we can serve Europe best by not restricting national freedom of movement any more than is necessary for the attainment of our central objectives. I should like to apply this principle here too. For this reason I support the present version of the Patijn report. It will be a red-letter day for Christian Democrats in Europe when we reach the milestone of directly elected representatives of the people in the European Parliament. The fact that we can begin to prepare for this today is a source of great satisfaction to us.

(Applause)

President. — I call Mr Broeks.

Mr Broeks. — (NL) Mr President, Chapter 1 of Part Five of the EEC Treaty, relating to the Institutions, does not give the impression at first reading that the Treaty contains any major legal obstacles to the implementation of Article 138 (3). The only provision is that elections by direct universal suffrage must be held in accordance with a uniform procedure in all Member States.

The fact that so many years have passed since its proposals of 1960 before the European Par-

liament has again ventured to put forward proposals in a serious attempt to apply Article 138, shows, however, that the political and legal difficulties have in fact been very substantial.

Mr Patijn has produced very pragmatic and extremely well drawn up proposals, and I should like to associate myself with the words of thanks which my colleague Mr Schmidt has addressed to him and to Mr Lautenschlager. The fact that we are optimistic about Mr Patijn's proposals is attributable to the hopeful sounds which were heard at the last Summit Conference in Paris; these were so hopeful indeed that the rapporteur rightly took the view that the date for the elections could be changed from 1980 to 1978. The Council, however, will unfortunately not be able to deal with these proposals before the referendum has taken place in the United Kingdom, and it is our hope that it will be able to do so before the end of this year.

The Draft Convention prepared by Mr Patijn is eminently suitable for a transitional period. But it is unfortunate that because the Legal Affairs Committee was consulted at such a late hour its advice could no longer be incorporated in the Patijn report. It is true that in 1960 also a resolution was adopted which had emanated solely from the Political Affairs Committee, but that committee was also competent with respect to institutional questions at the time, which is no longer the case. I am bringing this matter up because the Legal Affairs Committee has scarcely had time to formulate its advice because of the wish to discuss the Patijn report at an early date in Parliament. Consequently the work of the Legal Affairs Committee was too heavily concentrated on the main points of the report and the amendments. Nevertheless, there are also other interesting questions.

Why, for example, is a separate Convention necessary with regard to the Assembly? Why not a convention amending Article 138, for example? Must the Convention relating to the Assembly be based partially on Article 236, as it is in the fourth paragraph of the Preamble to the Draft Convention? I should not have thought so, because Article 138 surely represents a clear deviation from Article 236. Why was an amendment to the Treaty of Rome envisaged when our budgetary powers were modified?

I should like to put another question. Will the European Parliament, acting in pursuance of the Convention on the Assembly, and therefore elected in a different way, and having a different number of Members, be a new Parliament or a continuation of the present one? The answer to this question has consequences for the practical operation of Parliament as regards, for

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example, its rules of procedure, the opening of session, etc.

It is very tempting to dwell for a long time on this—up to now, as far as the first question is concerned, we have worked in the belief that the European Parliament chose the correct path in 1960. I would not say yes as regards 1960, but the Draft Convention of 1975 provides sufficient grounds for saying that, in view of its transitional nature, there are no objections to it.

When drafting a proposal for a uniform electoral procedure in accordance with Article 7 the Legal Affairs Committee should take time to examine this question. The same applies to the second matter. There is no provision relating to the Assembly in the EEC Treaty which would prevent our regarding the Parliament as a transitional parliament and as a direct continuation of the present one. When we deal with the Convention in its final form we shall also have to examine whether during revision of the EEC Treaty the numbers of Members of Parliament per country have to be laid down, or whether criteria have to be established for the calculation of those numbers. According to the Explanatory Statement contained in the Patijn report, such criteria already exist. In view of the possible enlargement of the Community in the future, it would be better, in my view, to list the criteria in order not to have to adapt this part of the Treaty of Rome every time there is an enlargement.

I will now just touch on the question of whether in due course there should be a bicameral system. This is very much interlinked with the question of whether both the Commission and the Council will remain in existence or whether the Commission becomes a European government and the Council is transformed into a kind of senate or disappears altogether. Only when that is known will it be possible to answer the question about a bicameral system. Leaving aside the fact that the Legal Affairs Committee wishes to change Article 5 by introducing an amendment, this Article is a somewhat strange provision in its present form as surely a dual mandate during the transitional period must be made possible. Otherwise only the rich or those with pensions, in short those with other sources of income, could become Members of the European Parliament.

The freedom of action of a Member of Parliament referred to under paragraph 11 in the Lautenschlager opinion will therefore be illusory if national legislation makes no material provision for membership of the European Parliament only. Article 5, in its present form, serves little purpose, and its amendment places this Parliament before an unavoidable declaration

of principle. We are speaking now about a dual mandate, but we should not forget that the mandate for the European Parliament is not a mandate from the people, but an indirect mandate and more of a dual membership.

For a Parliament such as we now have, with a task which is almost exclusively advisory, that is no drawback. But each additional power which this Parliament acquires will make it more difficult to fulfil a dual mandate and could cause more conflicts between the various duties. The mandate of the European Parliament will certainly entail more work.

I do not believe in the superman who could carry out both tasks simultaneously, as depicted by Mr Kirk. Apart from that, it is questionable whether Members can really justify a dual mandate to their electors; I do not believe they can. Members are constantly complaining here about the difficulties of dual membership, but when the elections come up for discussion, reference to the difficulties is avoided.

It was not my intention to discuss the Legal Affairs Committee's proposal that Parliament should have a smaller number of members than is provided for in the report, but I should like to point out that the suggestion by my fellow countryman, Mr Scholten, that the large states would be underrepresented if the Legal Affairs Committee's proposal were adopted, is completely unfounded.

Further, I wonder whether the list of functions stated in Article 6 to be incompatible with the office of representative should not in due time also include that of paid adviser to the institutions and bodies of the Community?

We do not anticipate that the Council will have many objections to the adoption of this Convention. Should this view prove to be incorrect, however, Parliament will really have to apply Article 175 in a few years' time. It would in any case be interesting to ascertain what the Court understands by the gradual introduction of a provision. Is it possible to postpone the introduction of a provision for years and yet speak of a gradual introduction? I doubt it very much. We are discussing today the direct election of Members of this Parliament. But no-one will have forgotten that the struggle for the rights of Parliament will proceed without interruption; we must continue to demand more powers for Parliament. Whatever the case today will be an important milestone on the long uphill road towards direct elections and the rights of Parliament. We demand that the Council does not block this step forward, because otherwise Parliament will have to have recourse to its rights. *(Applause)*

President. — I call Mr Johnston.

Mr Johnston. — Mr President, I would like straight away not only to compliment Mr Patijn upon his excellent work, but at the same time to pay tribute to his country, the Netherlands, which, of all the states in our Community, perhaps more than any other has been consistently in the van of those who have worked to shape a democratic European union. The fact that I do not extend this tribute is not to be taken as evidence either of a lack of enthusiasm on my part or of any inability on the part of the cold and nordic Scot to emulate the Latin rhetoric of my French and Italian colleagues. It is simply that I have not got any time.

Firstly, it is worth reminding the world outside which is now watching and reporting us that the concept of direct elections is not an idea thought up by the European Parliament to improve its strength, but it is something built into the Treaties to which every state in our Community is committed. It is equally worth reminding both the British and the Danish governments of this fact. In joining the Community they committed themselves to playing their part in building a democratic Europe, and I do not think that their Paris reservations did either of them any credit.

Secondly, I would like to refer briefly to two matters, both of which are deeply important if we are indeed to evolve a sensitive and representative European Parliament to which wide powers can in time readily be given. I am disappointed that Mr Patijn avoided the question of uniform electoral procedure. He said in paragraph 29 that the rapporteur himself 'does not feel that the time has come to propose standardization'; he felt that his discussions in various Member States led him to the conclusion that the time was not appropriate. And then of course, in paragraph 53 of his report, he refers to the fact that, according to the new Convention, the electoral system should fall within the competence of each Member State while the European Parliament should draw up by 1980 a proposal for a uniform electoral system. I would have liked Mr Patijn to have firmly asserted his commitment to proportional representation now. In February last year, Liberals in Britain polled nearly 20 per cent of the vote, which even with the present representation in this Parliament, in which Great Britain has 36 Members, should have given us 6 or 7 Members here. We have 2.

Under the British system, it would certainly be possible for Liberals or any other minority party to poll over 20 per cent and obtain no representation at all. I know that the British Conservative

Party has played its part in sustaining this crude, divisive and fundamentally unjust system, but I thought that they were turning away from it; I was therefore very disappointed to hear the remarks made by Sir Derek Walker-Smith. France, too, has a system which distorts the democratic will. In my view, we should now, as a Parliament, make clear our commitment to proportional representation.

In paragraph 48, Mr Patijn says that it was argued by those whom he consulted 'that there should be adequate representation of national political interests and of regions in the European Parliament', and he goes on at the end of paragraph 49 to say that 'while the concept of a second Chamber is interesting, it does not in his view fall within the scope of his report'. I believe that this Parliament must turn its attention very soon to the question of whether or not there is to be a second Chamber. I do not dissent from the points made by the previous speaker about the various repercussions this has, but I think it is urgent that we turn our attention to thinking seriously about it. Personally I am a federalist. If you like, I am a believer in *l'Europe des régions*. But apart from my beliefs, there is no doubt at all in my mind that as time passes the privileged position of Ireland or Denmark, by comparison with Scotland or Wales or Bavaria, cannot be easily sustained and will come under criticism. If a second Chamber is evolved, similar perhaps to the Bundesrat, clearly this would remove the justification for a small nation weighting which is built into the Patijn proposals, and I accept the remarks in this regard made by my colleague Lord Gladwyn. Direct elections, Mr President, will change this Parliament fundamentally. It will probably become a much more divided, a much more argumentative and perhaps a much less pleasant place. But without them the necessity of a democratic Europe can never be achieved.

(Applause)

President. — I call Mr Brewis.

Mr Brewis. — Mr President, I want to restrict my remarks to two issues, the number of Members and the joint mandate. Personally I prefer the smaller number of 355 because I believe the number should be related to functions to be carried out. At Westminster the House of Commons has 635 members, but one has to bear in mind that only some hundred members have to form the Government and the remainder have to man the innumerable committees which exist in our parliament. Now in this Parliament we do not have to form a government and there is definitely an optimum number of members who should be on a committee. If we

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were to have no dual mandate, I believe that if membership was limited to only one committee we might very well be rather underemployed in this Parliament, even at 355.

I want to turn, like my friend Mr Johnston, to the representation of smaller countries. I think it is rather amusing to see that under the larger proposals of the Political Affairs Committee some of the smaller countries get an Irishman's rise: for example, Denmark goes down from 17 to 14 and Ireland from 13 to 10. Now I appreciate the need for sovereign states to have a possibility of being represented on each of our committees, and the number of 6 accorded to Luxembourg is perhaps the minimum which is possible. But Mr President, we should also take into account the representation of smaller countries on the other institutions of the EEC. I refer to the Commission and also to the Council of Ministers, where, of course, the representatives of Luxembourg have always carried out a very distinguished role. However, Luxembourg is not the only small country in Europe. We are all conscious of the historic fragmentation of Europe. What about a country like Andorra for example? If this country decided to be independent and to join the EEC I do not suppose anyone would object. But should a country like Andorra with a few thousand inhabitants have not only 6 members of Parliament but corresponding representation on the Commission and the Council of Ministers, and the accompanying power of veto which would go with it? This is perhaps a hypothetical question, but the over-representation of smaller states seems grossly unfair to countries like Scotland, which has its own traditions, its own legal system, its own church and other institutions, and has contributed a great deal to Europe in the past. Although it has a bigger population than Denmark, we in Scotland can expect at the most 8 Members, which may be compared with 17 for Denmark under the present proposals. I think, Sir, once we depart from constituencies of about the same size, we are putting a premium on independence and therefore going in exactly the wrong direction for a united Europe.

Turning now to the dual mandate, I am sure that what we need here is interchangeability between the European Parliament and the national parliaments. There should, of course, be facilities in the national parliaments for European Members to attend party meetings and reunions, but I think in addition service in the European Parliament should be given credit and counted as qualification for ministerial office at home. I want to quote here the words of Michael Stewart, a former British Socialist foreign secretary. He said our aim should be to ensure that an able and zealous politician with

legitimate hopes for his future can believe that work in Strasbourg will neither damage these hopes nor separate him from the main current of British politics. Now the possibility of promotion in the European Parliament is virtually nil—not even to a Commissioner's bench. I think interchangeability should therefore be encouraged and no one should look on service in the European Parliament as being a career in itself. For this reason, Mr President, I shall support the compatibility of the dual mandate when the amendment is proposed.

(Applause)

President. — I call Mrs Caretoni Romagnoli.

Mrs Caretoni Romagnoli. — (I) Mr President, my comments on this problem stem from the position adopted by the group to which I belong in the Italian Senate, i.e. the independent left, a group greatly interested in Europe, very much in favour of direct elections and whose leader is Mr Parri, who presented a draft law in Italy—but only in Italy—for the implementation of direct elections. Some of you will certainly remember the presence here some years ago of Senator Parri, a senior member of the European Parliament. If my group thought it useful at the time to cause a shock, to take this step for a single country, all the more reason why we now believe that election to the European Parliament by direct universal suffrage—even if this is far removed from that laid down in the Treaties—should be considered in a favourable light.

However, Mr President, we have been called here today to vote on a document, our rapporteur's report. I find his a somewhat minimalist approach and, in actual fact, although he is well aware of the size and seriousness of the problems he does what is known in skiing circles as a slalom. In other words, when faced with major issues he either fails to tackle them or shelves them or plays them down. I am not blaming him for this. He is only too aware of the importance of this issue, but he knows how to proceed in an area strewn with pitfalls. On the other hand one only needs to have followed today's debate to become aware of the infinite number of gradations between opponents, don't knows and adherents.

So we are on very thorny ground and my criticism is not directed at the rapporteur. But these flaws do exist and to my mind create doubt as to what positions to adopt when we come to vote on election to the European Parliament by direct universal suffrage, which I consider, and I repeat, to be an important and fundamental issue. We ought to have gone much further and

Carettoni Romagnoli

shown greater courage especially in this European Parliament, since this, I feel, would have pushed the governments towards a point of no return—and, on this point, might I say, Mr President, that obligations undertaken at summits have not always been automatically respected—and would have allowed us to reach a truly positive conclusion.

Having said this, let me add that we do appreciate the fact that we are finally at the discussion stage, for we are in favour of every step forward that can be made. Mr President, we consider it a positive step forward that we are now discussing institutions. Unfortunately, however, progress is not being made in other fields and this is why we have so to speak been 'guided' towards this sector though even here the light is interspersed with gloom.

We think that, even given these limitations to achieve European elections still provides a very beneficial shock, if I may use the term by which I defined the draft law on direct elections proposed in Italy. But we are convinced, Mr President, and as Mr D'Angelosante said before me, that this will not be the end of the discussion. After this evening's voting I believe that still more time and discussions will be needed before any definite conclusion is possible. Thus, Mr President, my abstention will not be an expression of any doubt of the aims but of my dissatisfaction with the limited nature of the proposal made by the European Parliament, a Parliament which is to be elected by universal suffrage, the party most affected and protagonist of this process which is now beginning. If anything, I hope my abstention will be an incentive to greater and bolder things at the greatest possible speed.

(Applause)

President. — I call Mr McDonald.

Mr McDonald. — Mr President, I would like first of all to compliment Mr Patijn on his work on this report on the adoption of a draft Convention introducing elections to the European Parliament by direct universal suffrage. I appreciate the amount of dedicated work he has put into this, and I think that it is very appropriate that the report itself should be the subject of such a very full and interesting debate here today. I believe that direct elections to the European Parliament will be a significant step forward towards greater democratization of the Community and, indeed, a significant contribution towards European union.

I should like, Mr President, to confine myself briefly to one or two points that I do not particu-

larly agree with in the document. I would like to say at the outset that I think the document as a whole is a remarkable one and it is one that I can subscribe to and support practically in toto. But I should like to avail myself of this opportunity to point out that my people in a referendum just two and a half years ago expressed themselves overwhelmingly in favour of entering Europe, in favour of joining this Community, and we were influenced greatly in that decision by the Treaty of Accession. Under Article 138 of the EEC Treaty, as you all know, our country had 10 of the 198 seats in this Parliament. That is just two years ago, and in the past two years our people have maintained their devotion to Europe. I think that the vast majority of people, despite the adverse economic conditions, are more than happy and pleased, and indeed extremely lucky, that they voted in that way back in May 1972.

However, how will our population feel now, Mr President, when they learn that it is proposed under this document to reduce their representation from 10 seats in a Parliament of 198 to 10 seats in a Parliament of 550, particularly when they note the great increases in the numbers to be elected by other Member States? I know that arguments have been put forward from all sides of the House on this very topic. To my mind this will be seen as an attempt to push a proud and democratically-minded people into insignificant obscurity at parliamentary level. I was surprised, and perhaps a little pained, to hear my colleague from the European Conservative benches, Sir Derek Walker-Smith, just a short while ago bemoan the fact that under the proposed system of representation the people of Northern Ireland will be at a disadvantage when compared with people in the southern part of Ireland. I should also like to point out very forcibly to the honourable Member that his particular system is apparently rolling along quite happily at present, when those people are not represented here at all. I think that is something to be regretted and I would share the views expressed by Mr Johnston when he touched, perhaps in a different context, on that same question.

We must, therefore, act not only in the interests of Ireland but also in the interests of other small countries, bearing in mind the desirability of further enlargement of the Community, at no remote date, Mr President, by the adhesion of countries whose democratic conditions make them desirable partners.

The importance of public opinion cannot be overstressed. If the powers of national parliaments are on the decline, they can only be counterbalanced by a minimum effective repre-

McDonald

sentation in this Parliament; since we are talking about a single Chamber this is all the more reason why Member States must be adequately represented and must have a minimum number to represent the various parties, groups and, indeed, important political views in them.

In this regard, I perhaps share the views expressed earlier this morning by Mr Kirk. It is desirable to ensure that in a full-time and enlarged directly-elected Parliament, a small country such as ours has the minimum representation necessary so that we can be represented on each parliamentary committee. The proposal that is least satisfactory in this document, as I see it, is the one that would give us 10 seats out of 550. We must not, I think—and I should like to impress this on the rapporteur—make the mistake of placing mathematical formulas and mathematical scales above considerations of history and geography. This, I think, is particularly significant to those countries that form the peripheral areas of our Community.

I know that Mr Patijn, while working on his report, has travelled right across the Community and has experienced at first hand the difficulties and problems which affect the various Members in the Community. After his detailed study, he proposed in his original document a solution and a formula which we would go along with; but we very much regret the reduction to 10. In the absence of a second Chamber which could preserve the national presence more clearly—most democracies have a weighting in the Upper House designed to preserve the special interests of the component parts of their democracies marked by different traditions and different beginnings, different regions and, indeed, in some countries, different ethnic groups—there is a great danger of insufficient representation. Mr President, as I see it, this could produce a very negative result in that under-represented peoples would be so frustrated and their powers so reduced that their only hope of making themselves heard would be by obstructionist tactics. This, I think, would be most regrettable and it certainly would not be in the interests of a more dynamic, or indeed, a more European Parliament bravely shouldering the responsibilities that the European Parliament of the future must have, with the courage and the capacity to undertake them.

I am firmly convinced that through direct elections to a greater, developed European Parliament, we shall be able to give the institutions of this Community the support—the impetus—necessary to ensure that the people who directly elect the Members of a larger European Parliament will feel justly proud and indeed get a

positive return for their interest and their efforts.

(*Applause*)

President. — I call Mr Nørgaard.

Mr Nørgaard. — (DK) Mr President, I should like to thank the Socialist Group for allowing a representative of the small group of Danish Social-Democrats to take up some of its speaking time. We are all the more grateful as our opinion of our colleague Mr Patijn's proposal is completely different from that of the rest of the Group and apparently from that of the great majority of those here.

We also appreciate Mr Patijn's achievement in drawing up the report and the Draft Convention.

Although we have acceded to the Treaty of Rome, thereby accepting the principle of direct elections to Parliament, we cannot recommend the adoption of this proposal.

In the final vote, we shall vote against the Draft Convention for two main reasons.

First of all, we do not think a proposal of this kind should be adopted in this House before it has been decided whether or not the United Kingdom will be remaining within the Community. It is obvious that if the United Kingdom withdraws the proposal will have to be modified. It is also our view, however, that if the United Kingdom remains a member of the Community—which we very much hope will be the case—it would be unreasonable towards such a relatively large group as the British Labour Party if, just before it entered this Parliament, we were to lay down the rules according to which it would be elected without its having had the least say in drafting them.

We shall also vote against Mr Patijn's proposal because it does not give any guarantee of a dual mandate.

It is perfectly true that the report states that the dual mandate may be retained, but in practice there will be very great difficulties involved in retaining it if Mr Patijn's proposal is adopted.

We have just had elections in Denmark. One Member of this Parliament only was re-elected by a bare margin. He was the leader of a party which was represented here in Parliament and which very nearly had to leave the Danish Folketing at the double-quick, as the margin was only 0.02 %. If 0.02 % of the voters had decided not to vote for his party, it would no longer have been in the Folketing—it would no longer have existed. If, therefore, we have a ruling that

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a Member can remain in this Parliament for up to 5 years, we run the risk that there will be representatives in the House for 4 years and 11 months who are not represented at all in the national parliament and may have completely different views on the decisions to be taken here and at home on matters affecting the future of Europe.

We feel there should be the greatest possible agreement between the political views expressed by Members here in this Parliament and those expressed in the national parliaments. For the time being, we regarded the dual mandate simply as a guarantee of this, and as long as no practicable proposal is presented, we cannot accept a ruling which, in practice, makes impossible the exercise of the dual mandate and, hence, the agreement between the political standpoints at home and in the European Parliament.

We think that Mr Patijn's proposal is considerably better than the amendment tabled by the Legal Affairs Committee, which states quite clearly that the dual mandate is inadmissible.

We do not feel you need to be a superman to exercise the dual mandate, as was said here, but we do feel there is a danger of 'super-Europeans' being elected to this Parliament by a tiny minority of the national electorates. If universal elections to this consultative organ are held without any relationship to the national elections, only a very small group of people might take part in the elections and the results could be extremely arbitrary. For instance, there may be people who are very enthusiastic about Europe, and this is all right—but it is not all right if it does not reflect the power structure in the national parliament, which also chooses the government.

The proposal we are dealing with today has to be approved unanimously by the Council of Ministers. But the Council cannot start to consider the proposal until it has been decided whether the United Kingdom is to continue as a Member of the Community. Why then do we have to pass a proposal of this kind in Parliament now?

Why not give us extra time to see whether we cannot modify this proposal so that there is some hope of its being supported in the Council of Ministers by the Danish and British Governments? We know it cannot be approved as it now stands. Both the Danish and the British Governments will oppose it. There is every possibility that we can draw up a proposal which could be adopted unanimously here and which the British and Danish Governments could also

accept. But if we adopt a proposal we know to be unacceptable, I feel we are damaging the concept of Europe as it will seem that Mr Patijn's thorough and valuable work will not be dealt with as seriously as it deserves.

I therefore submit that this proposal be dealt with in the same way as bills are dealt with in all democratic national parliaments. It should be given its first reading here and then sent back to the committees, so that we can discuss it further there and work out a better guarantee of agreement between political standpoints at home and here. We can then submit a proposal when we know whether or not the United Kingdom is to remain a Member of the Community.
(Applause)

President. — I call Lord Reay.

Lord Reay. — Mr President, I hope the rapporteur will appreciate that, confined as I am in my speaking-time, I must compress my compliments to him as much as the substance of my speech. I will only say that I think his document is realistic, that it is sensitive to the traditional needs and to the strength of the traditional factor in Member States and that it is wise as much for what it leaves out as for what it includes.

I think he was right to treat the question of powers as if it were an unrelated subject, although of course it is not, and right to leave discretion to Member States on such matters as voting-age and laws with respect to political parties, giving an opportunity, as he puts it, for a *de facto* standardization to grow up spontaneously without being imposed.

Mr President, I should like to raise two matters. The first concerns something which is contained in the note to Article 1 on page 13 of the report. Article 1 provides that the representatives of the peoples in the European Parliament shall be elected by direct universal suffrage. In the note to Article 1 it is stated, and I quote, that 'the terms "universal" and "direct" mean that the elections shall take place throughout the territory of the Community and that the electorate shall directly determine the composition of the Parliament'. Now I have always understood that the 'universal suffrage' had a much broader meaning and that typically it meant the suffrage which was not based on property qualifications and other qualifications such as sex and was limited only by disqualifications on grounds of minority and some other grounds such as convictions for criminal offences. It therefore seems to me that it might may be a source of legal confusion in the future if this Parlia-

Lord Reay

ment gives to understand that when it employs the term 'universal suffrage' it means something different and far narrower than what the term has traditionally meant. I should therefore like to ask the rapporteur, if he has sufficient time, whether he could clarify in his concluding remarks his position and his intentions on that matter.

For my second point, Mr President, I should like to take up something which Mr Kirk touched on earlier today and to say that as things are now arranged we seem to be in danger of getting behindhand with the plans to introduce a uniform electoral system for the Community. On the one hand, each Member State as a result of this Convention is going to have to draft a law to enable elections to be held in 1978, or as soon as possible thereafter and is to be free to do so, as Mr Patijn points out on page 21 and I quote him, in a manner 'which corresponds to its political traditions and structures'. On the other hand, under Article 7 of the Convention, the European Parliament would draw up by 1980—and the date is till to be 1980, as I understand, not 1978—a uniform electoral system for elections to be held after that date. In other words, it is foreseen that the national solutions which will be devised for the first direct elections will apply for only one legislative period. In that case, surely, it would be desirable, before Member States set about framing their laws for that first election, that at least a passive agreement if not a formal agreement, a rough outline of an agreement if not one with all its details completed, should have been reached between Member States for the common system that was to be introduced for later elections. There must therefore be discussion of the traditions of Member States in this matter. Speaking for myself, and taking up the point that Mr Johnston referred to, I should like to say that out of consideration for what has been the practice in the great majority of Member States, and out of considerations of justice, the uniform system will have to include at least a very substantial element of proportional representation.

Mr. President, in conclusion may I say that, in view both of the inherent importance of this question and of our authority in this matter, today's debate on Mr Patijn's report is extremely important.

I only hope that this Parliament will shortly demonstrate as much activity as it has today and express as strong a demand for an early decision as it has today on that other outstanding question, the question of a single seat for the institutions of the Community, on which our opinion is of equal importance and where the delivery of an opinion by us in view of the waste and

the inconvenience of present arrangements is long overdue. Thank you, Mr President.

(Applause)

President. — I call Mr Hill.

Mr Hill. — Mr President, I shall speak very briefly.

First of all I thank Mr Patijn for the excellence of his report, and secondly may I say that this is a historic occasion, when for the first time it does seem that real progress is going to be made towards direct elections for this Parliament. I am very pleased that the matter of direct elections has been kept quite separate from the evolution of the powers of this Assembly, because, as was rightly said in an editorial in yesterday's *Times*, it has come at an extremely awkward time for the United Kingdom. It will perhaps give further ammunition to the anti-Marketeters in my country, and it may in some minor degree sway the views of the public which in the future we hope to represent.

I fully agree with my colleague, Sir Derek Walker-Smith, when he refers to two points: the reason of law which no renegotiations can change, and the necessity for close of links between this Parliament and the people. I think we all know the state of this Parliament, inasmuch as I think it is impossible for a Member to serve in his national parliament and in the European Parliament for the simple reason that he really is not the superman that certain people try to pretend we are. He has not only a double mandate: he has his constituency work as well. A double mandate would be a double mandate only of Members who have strong seats—in other words, Members with a good majority. In fact, many of us know that if we were fighting critical seats during this period of change in Europe, many of us would not be here for very long. Indeed, without direct elections we should, perhaps, always be the victims of unscrupulous political opponents who made the most out of our European Parliament work.

Certainly I think Lord Gladwyn, when he said there should be an organic link between the House of Commons and Europe, was quite right, but I do not think the organic link is membership of both Houses. I think the organic link should be some honorary status which gave us the facilities and the opportunity to mingle with our parliamentary colleagues in the United Kingdom and at the same time get their views. Mr Lenihan, I regret to say, has said that 550 Members would not be acceptable to the Council of Ministers. This I doubt, because if you look at the figures for the larger states—and, gentle-

Hill

men, you will be real working Members of Parliament if you are elected to Europe directly—you will have a constituency of something like half a million constituents if the figure of 550 is accepted. Consequently, you will not be able to say that you will not be busy. The volume of work in committee will increase. There will be more committees, and indeed there will be more lobbying from the outside world, and I think by and large we shall be working four weeks of each month rather than, as now, one full week in the plenary part-session and perhaps four other days in committee.

Mr Lenihan said we must be represented in an appropriate manner. To my mind, this appropriate manner is direct election only to the European Parliament. We should then take our work extremely seriously, and this would exclude all those who wish to shine in both national and European chambers.

Mr President, I hope I have kept within my time. Mr Patijn himself has agreed with me. He says on page 11 that the continuously increasing workload borne by representatives has long since made it impossible for them properly to carry out both national and European duties. This is a half-way house. We want to be as efficient and as good as we can at our jobs.

Let us concentrate on Europe. Let us be directly elected, but let us still retain some honorary links with our parliaments in our Member States. Thank you.

(Applause)

President. — I call Mr Andreotti.

Mr Andreotti. — (I) Mr President, I should like to add my congratulations to Mr Patijn on his report.

Although the present discussion has many legal aspects the main issue is obviously a political one. It means implementing without delay the possibilities resulting from the recent Paris Summit and pressing for a decision for which we have been waiting for many years.

It is well worth recalling that the present European Parliament has indisputable democratic legitimacy, this being derived from the personal appointment each of us has in our own countries. However, direct elections to the European Parliament itself will mark a considerable step forward in Europe's own history.

But, we must not forget that there will be little use in having a European Parliament in 1978 elected directly by the European peoples if by

then we have not taken many more sensible steps forward in order to widen the effective powers of Parliament and the Commission. We must rededicate ourselves to this task with all our hearts and minds.

I should just like to make two recommendations on the problem under discussion today. Firstly, there should not be too great an increase in the number of Members. It is not at all true to say that efficiency is linked to numbers; in fact, the opposite is often the case.

A little while ago Mr McDonald bemoaned the fact that the representatives of the smaller countries might be frustrated by massive disproportion; in the event of any enlargement of the Community it would certainly be easier to increase the total number of seats than to reduce the present number of representatives.

Secondly, on the point of the link with national parliaments, perhaps a compromise between the political advantages of the present system and the practical difficulties of the dual mandates could be found by creating a special status in the separate national parliaments for members who are also European parliamentarians. They could, for example, be exempted from certain duties, such as attendance at committees, acting as rapporteur, etc., and not be included in the requisite quorum for voting on certain issues. The calendars of the various parliaments could also be brought into line with that of the European Parliament.

There are cogent arguments both for and against compatibility of the dual mandate. Certain countries stressing the incompatibility of the dual mandate at home have not in practice strengthened the real representativeness of the assemblies. By way of contrast, in France, where there is no incompatibility between being a local administrator and a parliamentarian, the combination has a two-way advantage.

The amendments allow for a transitional period, and it may well be that a prolonged transitional period will solve the problem *de facto*. When an incompatibility arises it would surely be possible to find a practical way of avoiding a complete break between European and national parliamentarians. In Italy, for example, European parliamentarians would have to be called upon at least to take part in the extraordinary assembly which elects the President of the Republic, but these are matters which must be studied in greater detail.

I would like to end by agreeing with Mr Patijn's statement that there is a need to prepare the peoples for the creation of the new Community Parliament. I would even go so far as to say that

Andreotti

a method must be found which will enable the various European peoples to follow satisfactorily, via the press or other medium, the work done by Parliament. This has rarely been the case up to now, either for the European Parliament or even the Council of Ministers.

Practically the only Community topics they have heard about are economic decisions which had specific consequences in certain national sectors.

We must make the Parliament elected by universal suffrage felt to be a living reality for European citizens, not only in economic but in political, social and cultural spheres.

For young persons in particular this will be an education in itself and a guarantee of freedom and effective democratic development.

(Applause from the centre)

President. — I call the rapporteur.

Mr Patijn, rapporteur. — *(NL)* Mr President, I do not think that any of the 25 preceding speakers today will expect me, as rapporteur, to be able to answer everyone and to be able to take up all the comments made.

I did not keep my speech this morning down to 10 or 15 minutes in order to come back now and elaborate blithely for a further three quarters of an hour. I intend to make only a few general comments, and to deal with matters of detail when, as rapporteur, I come to speak about the amendments to the various articles. We can then close the debate at 6 p.m., as arranged, and proceed to the vote.

I should like to express my extremely warm thanks to all speakers for the way in which they received the report presented by me on behalf of the Political Affairs Committee. Their attitude has been similar to my own attitude to the problem: no castles in the air, no attempt to attain paradise all at once, but a sober assessment of what is possible and necessary in the political situation of 1975. That was my starting point, which has been adopted both by the Political Affairs Committee and the Legal Affairs Committee and by the vast majority of the speakers in this debate. For this I am grateful. In making this general comment I do not wish to do anyone an injustice, including those speakers who find for whatever reasons that they are unable to vote for this Convention. I shall revert to that point later.

I should also like by way of an introductory remark to say something about the political context in which this Convention is being drawn up. Of course, the current interest in the subject has been increased by the fact that a positive

decision was reached by a majority of votes at the Summit Conference a month ago. Nevertheless, current interest would have been very great even without the decision at the Summit Conference, because we are wrestling with problems, which have been described by many Members here in colourful terms, such as the lack of legitimate authority on the part of representatives in the European Parliament, the dual mandate and the struggle to increase the powers of this Parliament. I expressed by conviction this morning that the powers will only come when there is a full-time Parliament. I regard elections as the only way, the only means of exerting greater pressure in this direction from within this Parliament. Mr Ortoli rightly said this morning that there is a logical connection between powers and elections. The connection is not such that we cannot develop one without the other. I am glad that the majority of Members have taken the same view. Election by a people is not solely dependent on whether or not the powers are adequate. It is of course gratifying and commendable if these powers exist in large measure, but it is not an absolute precondition.

I should just like to take up a number of points which have been raised in this connection. Mr Schmidt has rightly said that what concerns us in this matter is not our powers but the European citizen.

Reference was also made to the European citizen by Mr Bordu, but in a somewhat different context. Mr Bordu said that the Parliament had obtained a gadget from the Summit Conference; that is a nice American word, Mr Bordu, which it does my heart good to hear you use. It could perhaps indeed be called a gadget, something with which we could pleasantly keep ourselves occupied, if it were not that at the same time, and this you know from recent years, we have been occupying ourselves on all kinds of fronts with the question of our powers. Parliamentary elections are not a game in your country, nor in mine, and European elections will not be one either. I agree with you that inflation and employment are much greater problems from the social point of view. The one does not exclude the other, however; we must advance on both fronts and try to take measures on both of them. If we had to tie parliamentary powers and the control of inflation to the European elections, then indeed we could give up trying to make further progress.

In this connection I should also like to make a comment to Mr Johnston. Mr Johnston spoke in general about the regions of Europe. I am interested in that problem; it is one for which we shall have to find a solution. But the problem of your rapporteur was that he had to

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concern himself with nine Member States and not with regions or countries within a Member State. We all have our own problems in that sector, and are all seeking solutions of our own.

For example, I know that in the United Kingdom original solutions are being sought for regional representation, possibly via regional parliaments. But you must not blame your rapporteur for being constrained by the fact that the Treaty establishing the EEC was signed by states, and that it was with these states that he had to concern himself. When the system is elaborated in detail at a later stage, firstly within the United Kingdom and secondly when deciding on uniform procedure, we shall of course have to take into account the problems which play an important rôle within the regions. But you could not expect, and I do not believe that you did expect, your rapporteur to find direct solutions to this problem.

I should also like to say a word in this connection to Mrs Carettoni Romagnoli, who finds my approach minimalistic and intends for that reason to abstain from voting. I find her attitude more positive than that of her colleague, Mr D'Angelosante, who is not going to vote for this Convention for quite different reasons. I shall revert to that point in due course.

The approach is perhaps minimalistic, but in my view and in the view of the majority of the Members of this Parliament it is the correct approach at this point in the development of the European Community. Of course I could have worked out a uniform procedure; of course I could have put forward suggestions on that point. The proposals would not have appeared until three years later, however, and we should only have reached agreement here after debates lasting many long weeks, if we had managed to reach agreement at all. But, as I said in my introduction already, the important thing for me was that the European elections should come soon. The introduction of elections in the short term, as envisaged by the Summit Conference, entails a limited framework for the first elections. That was the choice I made, and I admit that it is minimalistic. Many Members have spoken of a transitional period in this connection. We shall look into that question in more detail when laying down the uniform procedure. At least, that was what I had in mind.

Mr Nørgaard stated that he would vote against the whole project for two reasons: the British referendum and the obligatory retention of the dual mandate.

With regard to the dual mandate, I prefer to comment in the context of the amendments to Article 5. With regard to the British referendum, I should just like to say a few words.

I sympathize with Mr Nørgaard's problems; I also see why, in view of the reservations expressed during the Summit Conference, he holds the views that he does at the present time. I just hope that, whatever the result of the British referendum, Mr Nørgaard will not allow Danish membership, and thus the further development of the Community, to depend exclusively upon it. I am in fact optimistic about this referendum, and I look forward to it, I would say straight away as an outsider, with confidence. This is intended as a general remark.

Now I should like to proceed to a few general remarks on the contents of this Convention, about which I did not speak this morning and to which I should now like to refer briefly. Much has naturally been said about Article 2, relating to the number of Members. May I just summarize briefly how the Political Affairs Committee arrived at its decision? Our first consideration was that each Member State should have a minimum number of Members. Secondly, we took the view that the traditional compromise incorporated in the Treaty would have to be set aside in order to arrive at a more proportional system. I would stress 'a more proportional system', because I freely admit that the 'one man, one vote' principle has not been followed. I calculated, however, that on the basis of Luxembourg—and six seats for Luxembourg is the minimum—Parliament should have 5 000 members. And, of course, nobody wants that. In such a situation every solution is a compromise. Even if Luxembourg is left out of consideration, any solution that would result in a manageable Parliament will be a compromise. You are already aware of my views on this subject; the point has been raised often enough. I adopted as a starting point the Parliament of 355 Members on the basis of a system of calculation designed to arrive at a reasonably well functioning Parliament in the present situation with respect to powers. By that I mean that there would be the possibility of increasing the number of Members on the basis of increasing powers and the possible increase in the number of Member States of the Community. Let us not begin by being too big, because we shall never revert to a smaller number. That is the first point.

The amendment proposed by Mr Klepsch and adopted by the Political Affairs Committee has substantial advantages. It puts a better basic emphasis on the 'one man, one vote' principle than my original proposal. In addition, the legitimate rights of the large states with large populations are taken into account to a greater extent by having a large representation in the European Parliament. In that respect the amendment put forward by Mr Lautenschlager is a

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return to my original proposal, and you will appreciate that your rapporteur now stands before you with very mixed feelings. My heart is with the Lautenschlager amendment, but as rapporteur of the Political Affairs Committee I am defending the text of my report. I have already mentioned the arguments in favour of it. The principle of proportionality is best upheld in the text of my report. The Lautenschlager amendment very clearly favours the smaller states.

I now come to a comment which is intended for those who maintain: 'It is not up to us to determine what the number of Members shall be; leave that to the Council.' In my view Parliament is not worth very much if it does not put a proposal before the Council. We must do the same in 1975 as Mr Dehousse did in 1960. In the present situation we must not leave it to the Council. Of course, the Council decides, but we must let it know what our conception is and why. It would be wrong to obscure it and hide it away, thereby passing on our task to the Council of Ministers.

Another point that has, of course, caused a considerable stir is the question of the dual mandate. I shall speak about the details when dealing with the amendments. But there is one thing which I should like to say in the present general context, and that is that we really ought to hold a survey among the 198 Members of this Parliament to establish who at the present time and with the present powers of the European Parliament would be prepared to relinquish his national mandate. Should the survey show that the vast majority is prepared to do so at the present time and would like to restrict itself to a European mandate, then my proposal is incorrect. During my tour of the European capitals the unanimous advice was: do not forbid it, make it possible. In my report I have quite clearly subjected the possibility of a dual mandate to limitations, two of which I referred to in my introduction to the article concerned. First of all, the European mandate is not terminated if the national mandate ends because the Member concerned has not been re-elected to the national parliament. If, for example, someone is elected on 1 March 1978 to the European Parliament and on 1 November 1978 he loses his national mandate, he remains a Member of the European Parliament. I would also draw Mr Nørgaard's attention to this, as he apparently has other ideas. That is the basis, as otherwise European elections would have no value because it would not be the European election which would be the deciding factor, but the national election. The European election is primary. Secondly, MP's will have to be freed completely for their work in the European Parliament. At the present time the opposite is the case; the national par-

liament takes precedence, and if there is any time over, we can work for Europe. Today, too, some of our colleagues are not present because they have to take part in a division in their national parliament.

An end must be made to this situation, but you cannot expect your rapporteur to provide a European solution. The solution must be found by national parliaments. A large number of possibilities will be apparent to you. For example, a Member of the European Parliament could take part in national activities without having a vote, so that he would not be forced to leave the European Parliament in order to go and vote in his own country. A further possibility would be for the national parliament to have extra members engaged exclusively on European work and therefore in a supernumerary position. Or one might consider a pairing system, which is a procedure whereby a supporter and an opponent of a government travel together to the European Parliament, or if one remains behind the other does not vote. These are all possibilities, but you must not expect your rapporteur to make the choice. I am only making suggestions to the national parliaments.

My next comment relates to the uniform procedure. Mr de la Malène has said that if this project is blocked by the Council, the reason will be, for example, that there is no agreement on the election procedure, and so it will merely postpone everything. I do not believe that the Council intimated at the Summit Conference that it wished to take a decision on the whole matter. The Council wishes to decide on the elections. It has not stated that a uniform procedure is a necessary part of the elections. I believe that the solution which I have chosen and which the great majority of you support is in accordance with the Treaty. The Treaty does not lay down anywhere that the provisions of an article must be implemented at one stroke. If that were the case, agricultural policy would have had to stand still for ten years, and no further alterations could be made to it. No, the Treaty is constantly evolving. Time limits have been laid down, but these have been exceeded by a large margin. Moreover, in its decision of June 1973, pointing out the dynamic character of the Treaty, the European Court expressly stated that a decision provided for in the Treaty could be taken in stages. Well, a decision of this kind in stages is what I am putting before you. Mr D'Angelosante has made some very interesting legal comments on this subject. He said that by cancelling Article 138 I had lost the possibility of introducing a uniform election procedure.

No, Mr D'Angelosante, by introducing Article 7 and by endeavouring to modify the EEC Treaty we are creating a new obligation. From the point

Patijn

of view of consistency it is better to delete from the EEC Treaty any provision which has ceased to apply. That is the situation exactly. The obligation on the part of the Council to lay down the uniform procedure then arises from Article 7 of the Draft Convention now before us, and no longer from Article 138 of the EEC Treaty.

Mr D'Angelosante has also spoken in this connection about Article 14. Article 14 is not the provision laying down that the uniform procedure should be introduced by means of an amendment to the Treaty. Article 14 is what Article 235 is in the EEC Treaty, not Article 236, but Article 235, in which an additional opportunity is provided for the Council and the Commission to introduce more detailed provisions if there are gaps.

I should like, if I may, to mention a few examples. There is the question of the remuneration of Members. I have made no proposals in that respect. Will it require the conclusion of a new convention? That may be a matter which is regulated by Article 14. Then there is the matter of the expenses to be allowed to national parties or governments for elections. I had thought of taking up that point, but it is better that Parliament should discuss it later with the Council in accordance with the procedure of Article 14.

There are many things which still have to be settled, and for which I have provided for a flexible procedure along the lines on which we worked when considering budgetary powers, i.e. the consultation procedure to which reference is made in the Vedel report on the powers of Parliament and in our own proposals and also Article 203 of the EEC Treaty; we have to consider the interaction between the Council and Parliament, which enjoy equal rights in the drawing up of the required provisions. This is nothing new, as in Article 203 (8) of the EEC Treaty reference is made to agreement between the Council and Parliament on budgetary procedure.

Mr D'Angelosante also asked why I refer to national provisions when speaking of the banning of parties. That is an old provision from the Dehousse convention. Mr Scelba asked why no reference was made to constitutional provisions. The banning of parties is not regulated in all countries by the constitution. If I have understood correctly—and if not, my German colleagues will correct me—the ban on the Communist Party in its old form in the Federal Republic was introduced by a court in Karlsruhe, and is not part of the constitution. In Italy the ban on the Fascist Party is laid down in the constitution. Under those circumstances Mr Dehousse's old text seemed to me to be very valid, and I have adopted this point without making any changes.

In conclusion, I should like to make a couple of remarks about the date of the elections. Various comments have been made on this subject, and I should now like to refer briefly to them. Mr Jozeau-Marigné and others have spoken in this connection about the link with national elections. He asked whether such links should be forbidden. I do not know, Mr Jozeau-Marigné. Perhaps we shall do so in the uniform procedure, but I can very well imagine that for reasons of cost or in order to increase the poll the elections may be made to coincide with regional or local elections. That is a possibility which cannot be excluded. My Draft Convention is also open with respect to this point.

Mr Kirk asked in the modest way for which he is known whether 1978 is a feasible target date. Mr Kirk, it is a tremendous challenge for the European Parliament within the space of three years to take up the preparations for the elections with the national parliaments, the national political parties, the Council and the Commission and everyone else who has a part to play. We have learnt from the Treaty of Rome that deadlines can provide a stimulus to push ahead. The great advantage of the transitional period in the EEC Treaty is that we are working towards something, and that at a given time we shall again have to take a decision. I am not saying that I am one hundred percent certain that we will succeed by 1978, but it is up to us, the Parliament and the Council, the political parties and the national parliaments to aim at holding the elections in 1978 and to do everything possible to meet the deadline. Should we find that it is not possible, we shall have to reappraise the situation, but at the present time it is our aim, in accordance with the wishes expressed at the Summit Conference, to hold the elections in 1978.

Mr President, I know that many members will be disappointed by my reply because there are many important comments which I have not answered and because I have only given a general introduction. You must forgive me; I cannot give replies to 25 speakers. We agreed to begin the voting at a reasonable time. I still hope to go into a number of details when we deal with the amendments.

(Loud applause)

IN THE CHAIR: MR BERKHOUWER

President

President. — The general debate is closed. We shall now consider the motion for a resolution.

President

On the first six paragraphs of Part I of the resolution I have no amendments or speakers listed.

I put these to the vote.

The first six paragraphs of Part I of the resolution are adopted.

On the preamble to the Draft Convention I have no amendments or speakers listed.

I put it to the vote.

The preamble is adopted.

On Article 1 I have Amendment No 6 tabled by Mr Bourges and Mr Yeats on behalf of the Group of European Progressive Democrats and worded as follows:

'Article 1

This article to read as follows:

'The Assembly of the representatives of the peoples of the States in the Community shall be elected by direct universal suffrage. It shall constitute the European Parliament.'

I call Mr Yeats to move this amendment.

Mr Yeats. — The purpose of this amendment is to alter the text placed before us by the rapporteur in order that it shall approximate more closely to the text of the Treaty itself. It is not intended to alter the precise intentions of the article that we have before us, but it does seem that it would be better to have it as close as possible to the relevant articles in the Treaty. Perhaps I might quote Article 137 of the EEC Treaty, which is as follows: 'The Assembly, which shall consist of representatives of the peoples of the States brought together in the Community, shall exercise the advisory and supervisory powers which are conferred upon it by this Treaty.' Our amendment, therefore, intends merely to incorporate the wording of this article of the Treaty, so far as it is relevant, into the Convention, and I would suggest that it is a relatively technical matter which we ought to accept because clearly we ought to try and adhere as far as possible to the Treaty.

President. — What is the rapporteur's position?

Mr Patijn, rapporteur. — (NL) Mr President, I would point out to the movers of this amendment that if we accept it, we shall have Article 137 of the EEC Treaty on the one hand and Article 1 of our Draft Convention on the other, both of which will then state approximately the same thing. I think that this would be wrong and not very desirable if we want to preserve an orderly system of Community legislation.

Furthermore it is concerned with the election of the representatives and not of Parliament. I find the text 'The Assembly of the representatives (...). It shall constitute the European Parliament' considerably less clear and concise than my text. I would also point out that my text is the same as that contained in Mr Dehousse's draft, and I felt it was exactly what was wanted. It reflects very clearly what we mean. I should like to ask the House to reject this amendment.

President. — I put Amendment No 6 to the vote.

Amendment No 6 is rejected.

I put Article 1 to the vote.

Article 1 is adopted.

On Article 2 I have six amendments:

— Amendment No 7 tabled by Mr de la Malène and worded as follows:

'Article 2

This article to read as follows:

"The number of representatives elected in each Member State shall be fixed by the Council and shall be proportional to the population of each of these States."

— Amendment No 5 tabled by Mr McDonald and worded as follows:

'Article 2

This article should read as follows:

"In proposing the number of representatives which each Member State shall be entitled to elect to the European Parliament, the Parliament shall maintain the same ratio of representatives per Member State as currently provided for under Articles 138 of the EEC Treaty, 108 of the Euratom Treaty and 21 of the ECSC Treaty, as amended by Article 10 of the Act of Accession, modified by Article 4 of the adaptation decision."

— Amendment No 15 tabled by Mr Nyborg and worded as follows:

'Article 2(1)

This paragraph to read as follows:

"1. The number of representatives elected in each Member State shall be as follows:

Belgium	14
Denmark	10
France	36
Germany (FR)	36
Ireland	10
Italy	36
Luxembourg	6
Netherlands	14
United Kingdom	36

President

— Amendment No 13 tabled by Mr Outers and worded as follows:

'Article 2(1)

This paragraph to read as follows:

"1. The number of representatives elected in each Member State shall be as follows:

Belgium	15
Denmark	11
France	57
Germany (FR)	67
Ireland	10
Italy	60
Luxembourg	6
Netherlands	19
United Kingdom	61

306"

— Amendment No 3 tabled by Mr Lautenschlager on behalf of the Legal Affairs Committee and worded as follows:

'Article 2(1)

This paragraph to read as follows:

"1. The number of representatives elected in each Member State shall be as follows:

Belgium	23
Denmark	17
France	65
Germany (FR)	71
Ireland	13
Italy	66
Luxembourg	6
Netherlands	27
United Kingdom	67

355"

— Amendment No 17 tabled by Lord Reay and worded as follows:

'Article 2(1)

This paragraph to read as follows:

"1. The number of representatives elected in each Member State shall be as follows:

Belgium	18
Denmark	12
France	74
Germany (FR)	87
Ireland	10
Italy	77
Luxembourg	6
Netherlands	23
United Kingdom	80

387"

These six amendments can be considered jointly.

I call Mr de la Malène to move Amendment No 7.

Mr de la Malène. — (F) Mr President, the scope of my amendment is apparent from its text. Since I commented on it in my introduction during the general debate, there is no need for me to do so again now.

President. — I call Mr McDonald to move Amendment No 5.

Mr McDonald. — Mr President, I should merely like to say that the proposals in Article 2 should at least not depart significantly from the Treaties of Accession. I have dealt with this amendment in the general debate. However, as there is another amendment which I think suits our situation a little better, I withdraw my Amendment No 5.

President. — Amendment No 5 is accordingly withdrawn.

I call Mr Nyborg to move Amendment No 15.

Mr Nyborg. — (DK) Mr President, I should like to start by thanking Mr Patijn for his report. I do so now because I did not have the opportunity to thank him before.

May I point out that not all Danes agree with the Danish Socialists' standpoint on direct elections. While I agree with the concept of direct elections, I am against an excessive increase in the number of Members for the following reasons.

At present Parliament has 198 Members, and all past experience shows that an increase in this number will not improve efficiency—the reverse if anything. The debates would certainly become longer and the work slower and more ineffective. We welcome any increase in the number of Member States in the Community, and when this happens the number of Members will rise automatically. Both here and in Strasbourg we have room enough for 198 Members. The administrative staff and other facilities are also intended to cater for this number. If we decide to increase the number of Members this will obviously cost a lot of money. In view of the present economic situation in the Community I feel sure that our peoples do not want any extension of the bureaucracy and that they expect us to lead the way in exercising moderation.

I find the present distribution of seats in Parliament reasonable and recommend that we retain the status quo of 198 Members.

President. — I call Mr Outers to move Amendment No 13.

Mr Outers. — (F) Mr President, my amendment aims to reconcile several principles. The first of these is that the nations must be represented in accordance with the size of their population. Universal suffrage is based on and justified by the equality of all citizens, no matter to what country they belong.

The second principle is that, as long as the elections are held in national electoral constituencies, it is perfectly right to lay down a minimum number of Members for each country. My proposal allocates a basic quota of 6 Members to each Member State and one further seat each for every million inhabitants.

The third principle is that we must avoid a situation in which an excessive number of Members—and this is the main objection to the proposal to have 550 Members—makes the future accession of new Member States more difficult. The total number of Members is thus reduced from 550 in the original proposal and 355 in Mr Lautenschlager's proposal to 306.

One last principle is that the new seat distribution should not reduce the number of seats currently allocated to any Member State.

President. — I call Mr Lautenschlager to move Amendment No 3.

Mr Lautenschlager. — (D) Mr President, in our view the compromise proposed in Amendment No 3 is the one which comes closest to meeting the wishes of the large countries and the expectations of the small countries. If you take a system of coordinates and plot on it a line for the representation, you will find that, with the figure of 355 Members, Denmark, Luxembourg and Belgium gain slightly, the Netherlands is on the mean line, and the large countries make a slight concession on representation. It is my belief that this sacrifice is worth while, in order to form a Parliament which can implement European politics in solidarity and which does not give the impression that a large number of seats have been created in order to benefit some countries. Everything has been worked out in detail.

We also experimented with a lower number and found each time that, if the number of Members is less than 355, it is too much to the detriment of the larger countries, whereas if Parliament has more than 355 Members, it is too much to the detriment of the smaller countries. We thus found, without recourse to party-political or national considerations, that the figure of 355 Members was a suitable compromise. No-one maintains it is the ideal solu-

tion, but it is the one which comes closest to satisfying all standpoints.

We also found that, if we take only the national parliaments and their relationships with the constituencies, i.e. the relationships between the individual Members and the constituencies, and apply them to a future European Parliament, we will not achieve the result we were aiming at, namely that in this directly elected European Parliament something new should be created.

There is nothing comparable in the Western world, not even the United States of America, which can look back on a history of only some two hundred years; and quite apart from that, even the House of Representatives manages with only about 400 members for a population much larger than that of Europe.

One amusing point, Mr President: there is no assembly hall in the whole of Europe which could hold more than 400 Members. Just a point. (Laughter)

Anyhow, if we do create a large Parliament on the basis that the European Parliament should be about as big as one of the larger national parliaments, the only aim being to achieve maximum representation, we shall certainly have a Parliament with loads of pomp and circumstance, but the self-imposed difficulties would result in this Parliament's becoming nothing more than a mutual admiration society, and all of us here would consider this to be a sad fate for it.

I therefore recommend that the House adopt the Amendment tabled by the Legal Affairs Committee, thereby limiting the number of seats to 355.

President. — I call Lord Reay to move amendment No 17.

Lord Reay. — Mr President, I think I shall have to say something, otherwise my amendment will not be understood by Members, since I had no opportunity to speak on this matter earlier in the debate. My amendment shares the intention of the Political Affairs Committee's amendment—that is to say, what is now the text of the report—of applying more closely than the rapporteur originally did himself the principle of parity in the ratio between electorate and elected throughout the Community, but with the intention of arriving at a lower total.

To do this, instead of allowing one Member for each additional 500 000 of the population or part thereof beyond the first million, which

Lord Reay

is now the present text, I have allowed one Member for each additional 750 000 of the population or part thereof beyond the first million.

Otherwise I have kept the same criteria. The first million will qualify for 6 seats: no state will have less than 6 seats; no state will have less than it has at present. In practice this last provision will only affect Ireland, which would otherwise under my amendment have 9 seats rather than 10. The main effect is to give a fairer representation to the electorate in the larger states than was done by the rapporteur originally or is done in the amendment now being moved by Mr Lautenschlager on behalf of the Legal Affairs Committee, while preserving a smaller total number. The higher number in my opinion is far too high, for the reason which I heard Mr Jozeau-Marigné give this afternoon—namely, that it ignores the possibility of the Community being enlarged in the future. I think by some this point has not been sufficiently appreciated. If for example you take only the possibility of Spain, Greece, Norway and Portugal joining the Community, using the current population figures and the same criteria as now laid down in Mr Patijn's report for determining individual membership, that would mean an additional membership of 128. That is to say a total membership for the Parliament of 678—a figure which perhaps in the opinion of most people would be hitting if not breaking the limit of what was considered a reasonable and practical number for a working parliament.

Mr President, in conclusion there is one thing that I think I must say. The order of voting puts me in a difficult position. Naturally enough, I prefer my own amendment to that of the Legal Affairs Committee, although, for the reasons which I have given, I prefer the amendment of the Legal Affairs Committee to the numbers as they now stand in the report. Now I think that the Legal Affairs Committee's amendment will be taken before mine. If that is to be the case I have decided that I shall support the amendment of the Legal Affairs Committee, that is to say Mr Lautenschlager's amendment, although this will reduce the possibility of mine being reached, in order to try to prevent the greater danger of the report's being adopted without any amendment at all. In return, and out of considerations of both gallantry and logic, I hope that those who vote for the Legal Affairs Committee's amendment, in the event of their experiencing the misfortune of defeat, will support my amendment when the time comes. *(Applause and laughter)*

President. — What is the rapporteur's opinion?

Mr Patijn, rapporteur. — (NL) Mr President, in my reply to the debate I commented briefly on Mr de la Malène's remarks regarding Article 2. I think that what he is proposing here is wrong as Parliament would be giving up its right of initiative to the Council. This was the first point.

And then there is a second point. If no guarantee is given for a number which we fix or criteria which we lay down, there can be no certainty for such countries as Luxembourg, Ireland and Denmark that today's figure will at least constitute the starting point. Mr de la Malène's amendment also contains the criterion 'proportional to the population'. And my compromise for Luxembourg, i.e. six seats for 350 000 inhabitants, could theoretically, according to Mr de la Malène's scheme, be reduced to one or none, if one takes a minimum of 500 000 inhabitants as a starting point. For these two highly fundamental and highly important reasons I recommend that you reject this amendment.

Furthermore Mr de la Malène's amendment implies the deletion of Article 2, paragraph 2, which provides for the possibility of making subsequent changes to the number of seats. No provision is made for this in Mr de la Malène's amendment, so the Treaty would have to be modified before a change could be made in the number of seats. This is another argument for asking Parliament to reject Mr de la Malène's amendment.

I thank Mr McDonald for withdrawing Amendment No 5, which has a similar purpose to that of Amendment No 15 by Mr Nyborg.

For reasons of economy Mr Nyborg wants to keep the existing number of seats. I think that is a good principle, Mr Nyborg. Of course we must be economical and not a single unit of account must be wasted, but your amendment would mean that in large states such as the Federal Republic of Germany and Great Britain it would be necessary to organize elections to elect 36 people, 36 representatives for a population, in the Federal Republic of Germany, of 62 million and an electorate of 2 million per seat! It is moreover in conflict with the basic principle that we adopted in the Political Affairs Committee, and with which everyone was in agreement, namely that we are on the way to introducing the 'one man, one vote' principle, in other words proportionality. You prefer to keep the old system, the compromise based on the Treaty. But I think it was one of our fundamental preoccupations, that of the rapporteur, that of Mr Lautenschlager, that of Mr Outers and Lord Reay, to guarantee proportionality. For this reason I would recommend that Parliament reject Mr Nyborg's amendment.

Patijs

Mr. Outers has proposed one seat per million inhabitants with a minimum of six. Mr Outers is juggling the figures somewhat here, because according to his system the Irish would have nine seats and not ten. I feel that in Mr Outers' proposal the small states are kept too close to the present figure, and get too little compensation. In all the proposals, in the proposal of the Political Affairs Committee and that of Mr Lautenschlager, it has been one of the basic points that the large states must obtain the greatest number of seats, but not at the expense of proper representation for the small states. In my opinion the total number of 306 and the distribution which Mr Outers proposes do not satisfy these criteria. Furthermore, with 306 seats we are entering the danger zone as regards proportionality, if we want to be able to organize elections properly. Ten seats for Ireland, eleven seats for Denmark? I know that these are small differences, but they are important differences for small states.

I now come to Mr Lautenschlager's amendment, which I spoke about a few moments ago in my second speech. The proposal of the Political Affairs Committee, as formulated in the Draft Convention, offers the best guarantee of proportionality.

You know that I have reservations about this, but if we assume that proportionality will be introduced, I think it fair to say that what Mr Klepsch proposed in the Political Affairs Committee best satisfies the criterion that I have put forward. I, therefore, believe that Mr Lautenschlager's recommendation implies the same compromise, in that it gives the small states more than they are entitled to. In Mr Klepsch's proposal they get a considerably greater number of seats but the difference vis-a-vis the larger states is rather greater.

Mr President I think I can apply the same arguments to Lord Reay's amendment which is along the same lines as Mr Lautenschlager's amendment. There is not much difference between a total of 355 or 387. But here too the compromise is to the detriment of proportionality. I do not think I need go into this matter any further. All the Groups defined their positions this morning. Every Member knows what is involved and I shall now leave matters to the judgment of Parliament.

President. — Pursuant to the Rules of Procedure we shall first consider the amendments which depart furthest from the Political Affairs Committee's text.

I put Amendment No 7 to the vote.

Amendment No 7 is rejected.

I put Amendment No 15 to the vote.

Amendment No 15 is rejected.

I put Amendment No 13 to the vote.

Amendment No 13 is rejected.

I put Amendment No 3 to the vote.

Amendment No 3 is adopted.

(Applause)

Following the adoption of Amendment No 3, Amendment No 17 is no longer necessary.

I put Article 2(1) so amended to the vote.

Article 2(1) is adopted.

I put Article 2(2) to the vote.

Article 2(2) is adopted.

On Articles 3 and 4 I have no amendments or speakers listed.

I put them to the vote.

Articles 3 and 4 are adopted.

On article 5 I have three amendments:

— Amendment No 9 tabled by Mr Liogier and worded as follows:

'Article 5

Replace the word "compatible" by the word "incompatible".'

— Amendment No 4 tabled by Mr Lautenschlager on behalf of the Legal Affairs Committee and worded as follows:

'Article 5

This article to read as follows:

"After entry into force of the procedure to be adopted under Article 7(1) membership of the European Parliament shall not be compatible with membership of a Parliament of a Member State."

— Amendment No 16/rev. tabled by Mr Lautenschlager and worded as follows:

'Article 5

This article to read as follows:

"1. After entry into force of the procedure to be adopted under Article 7(1) membership of the European Parliament shall be incompatible with membership of a Parliament of a Member State.

2. However, mandates held in a national Parliament at the time of the election of the first European Parliament elected by a uniform procedure may be retained until the expiry of the term of office of the national Parliament."

I call Mr Liogier to move Amendment No 9.

Mr Liogier. — (F) Mr President, ladies and gentlemen, if my amendment were accepted, Article 5 would read: 'Membership of the European Parliament shall be incompatible with membership of a Parliament of a Member State.' This total incompatibility seems absolutely essential to me and I am most surprised to find that in Article 5 of the new Draft Convention Mr Patijn recommends the contrary, after declaring in paragraph 3 of the explanatory statement: 'The increasing problems created by the exercise of a dual mandate merely emphasize the urgency of direct elections. The continuously increasing work load borne by representatives has long since made it impossible for them properly to carry out both national and European duties. This situation adversely affects the national parliaments and the European Parliament—not to mention the dependants of the representatives themselves.' I subscribe fully to this penetrating analysis of the situation and I would ask you to vote in favour of the incompatibility of the two mandates.

As for the suggestions made to parliaments of Member States, intended apparently to mitigate the disadvantages of this dual mandate, I believe that they are no more than feeble palliatives. If they were to be implemented in the present situation, they might yield some slight improvements in our working conditions, but they are quite unacceptable in the event of elections to the European Parliament by universal suffrage.

There is no question of making do with cut-rate representatives on the grounds that they represent both the European Community and their own country, which has elected them specifically to assume the responsibilities resulting from their mandate and not to entrust them to third parties, whoever they may be.

The tasks incumbent upon representatives of the European Parliament are growing unceasingly, as you yourselves realize every day. They will grow still further in the years to come. They are such that they require undivided attention, which cannot be distracted without the risk of serious dilution of effort, leading inevitably to inefficiency, and sometimes even to errors of judgment due to lack of time for reflection.

Do we not all suffer, as a result of our dual mandate, from being confronted time and again with trying situations owing to shortage of time and despite our willingness to do our job well, as regards attendance at committee meetings, regular participation in various projects and detailed study of the reports we receive as well as the making of all the necessary contacts.

Do we really think that the dual mandate, national on the one hand, European on the other,

is liable to create and foster that Community spirit without which we cannot achieve the great objective which we have fixed for ourselves, that of integration?

For these various reasons I would ask the honourable Members to vote for the amendment I have proposed.

President. — I call Mr Lautenschlager to move Amendments Nos 4 and 16/rev.

Mr Lautenschlager. — (D) Mr President, may I ask you to hold the vote on Amendment No 16/rev. first. If it is adopted, Amendment No 4 will become unnecessary, as the first paragraph of Amendment No 16/rev. contains the same wording as Amendment No 4.

Paragraph 2 of Amendment No 16/rev. to Article 5 merely guarantees that national mandates held at the time of the direct election of the European Parliament may be retained until the expiry of the term of office of the national parliament. From conversations I have had in this House it seemed necessary to me to add this, and I do not believe Parliament will oppose it. This must be the only exception allowing a dual mandate to be retained after the election of the new European Parliament.

President. — I call Lord Gladwyn.

Lord Gladwyn. — I should like the rapporteur to answer my question, which was this. Would it in his view be compatible with the Convention, during the interim period which will follow the first election, taken, as we know, in accordance with national procedures, for the British Parliament, if it so desired, to elect all its 67 members and make them at the same time, in its opinion, members of the national parliament? The point is that, if I may say so, even though during this period, in accordance with the Lautenschlager second amendment, it would be possible for the sitting members to present themselves, nobody in fact will present himself, because in the new Parliament it would be quite impossible in practice for a Member to have any dual function at all. Therefore, if it is indeed desired that there should be some kind of organic link with the European Parliament, would it, in his view, be possible for the British Parliament to act as I suggest—during the interim period, of course, and as a provisional measure?

President. — What is the rapporteur's opinion?

Mr Patijn, rapporteur. — (NL) Now we have reached the second very important point on which amendments have been tabled.

Patijn

As regards Mr Liogier's amendment I can be relatively brief. He would like to oblige all directly elected representatives, immediately after European elections, to renounce their national parliamentary mandates, regardless of the powers which the European Parliament will enjoy at that time. I strongly recommend you to reject this amendment.

I gave some of my reasons for this a few moments ago. I believe that in the provisional period, during which, according to my proposal, the first elections shall take place and we shall try to create a uniform procedure, a Parliament with full powers and an executive with full powers, we shall find the link with national parliaments very useful. In any case we must in my opinion not prohibit it. Such a link must be possible: whether anyone makes use of this facility is another question. In the light of the present political situation and the opinions of all the representatives with whom I have spoken I must strongly recommend that you reject Mr Liogier's amendment.

I come now to the two amendments tabled by Mr Lautenschlager. I can deal with them together since they relate to the same question.

Mr Lautenschlager is right when he says that Amendment No 16/rev. must be voted on first. If it is adopted, Amendment No 4 will become unnecessary. If it is rejected, Amendment No 4, which contains the first paragraph of Amendment No 16/rev., will be voted on.

Throughout my report I have avoided as far as possible anticipating what the directly elected parliament, subsequently to be elected by a uniform procedure, may wish to decide on matters of principle. I may be criticized for not going far enough. Mr Liogier and Mr Lautenschlager may criticize me for not saying that it is in principle forbidden to hold a dual mandate. I wish to leave this matter open. The text of Article 5 of my report does not exclude all this being settled at a later date. The rule forbidding the dual mandate may, for example, be incorporated into the uniform election regulations. This is one of the things about which I do not intend to make a pronouncement at the moment, and this applies equally to the proportional or non-proportional systems we shall be discussing shortly when we come to Article 7. The numerous people with whom I discussed this matter were all in agreement with my proposal.

There are already difficulties in sight. Mr Lautenschlager at first tabled an amendment containing a new paragraph 1 of Article 5, and immediately had to table a changed text, because

difficulties had arisen with regard to the national mandate. I am in principle in agreement with him: he, too, prefers a transitional period until the application of the uniform procedure. Perhaps by that time the dual mandate will be considered quite unacceptable. In my proposal I have tended not to anticipate such fundamental decisions, which we shall be taking in the coming years. In view of the arguments I have just put forward I cannot accept Amendment No 16/rev. and 4 by Mr Lautenschlager and request Parliament to approve Article 5 in the original version.

I can only partially answer Lord Gladwyn's question. For the constitution of the European Parliament only one election is valid and that is the European election. If 67 Britons are elected in the European election, they will be Members of the European Parliament. If Westminster, the House of Commons and the House of Lords want to make sure that, by means of a special procedure, these 67 members hold a mandate in the national parliament, there is nothing prohibiting this in the Draft Convention nor in the EEC Treaty.

President. — I call Mr Liogier.

Mr Liogier. — (F) Mr President, since Amendment No 16/rev. by Mr Lautenschlager does, after all, confirm the principle of the incompatibility of the two mandates, I support it and withdraw my own amendment.

President. — Amendment No 9 is accordingly withdrawn.

I put Amendment No 16/rev. to the vote.

As the result of the show of hands is not clear, a fresh vote will be taken by sitting and standing.

Amendment No 16/rev. is rejected.

(Applause from the European Conservative Group)

(Protests)

I put Amendment No 4 to the vote.

Amendment No 4 is rejected.

I put the original text of Article 5 to the vote.

Article 5 is adopted.

On Article 6 I have Amendment No 10 tabled by Mr Bourges and Mr Yeats on behalf of the Group of European Progressive Democrats and worded as follows:

President

'Article 8(2)

This paragraph to read as follows:

"2. Subject to the entry into force of the provisions laid down under Article 7, the national Parliaments shall establish the rules governing the question of incompatibility."

I call Mr Yeats to move this amendment.

Mr Yeats. — Mr President, the purpose of this amendment is to make a change which I think is necessary in the wording of paragraph 2 of Article 6 as set before us. This paragraph 2 of Article 6 covers the interim situation which will arise on and after the first election to the directly-elected Parliament and before the Council has in fact agreed on a uniform scheme of election for the Nine members of the EEC. Now, as Mr Lenihan has already pointed out in the course of the general debate, it is in fact very likely that not one but perhaps a number of elections will be held under these so-called interim procedures, because the prospects of the Council's agreeing unanimously on a uniform system of election are not good. So this is a matter of some importance because it relates to a position which may last some time. Now under the rapporteur's text the incompatibilities existing in each national state will automatically be extended also to the European Parliament. This means in the case of my country, for example, that an electricity worker who is employed climbing up electric-light poles in the west of Ireland and is therefore forbidden to be a Member at the same time of the Irish Parliament because he is employed by a state corporation—this person and many others like him would not be able to be a Member of the European Parliament. Now whatever the reasons may be (and one sometimes wonders what they are) at the national level for incompatibilities of this kind, they certainly would seem not to apply to the European Parliament, but under the rapporteur's text there is no discretion given automatically: the incompatibilities at the national level must be carried over to the European level, and the national parliaments have no discretion to make rules for one and rules for the other. My amendment therefore suggests that the national parliaments should have the discretion to say, 'Well, all right, so-and-so is forbidden to be a member of the national parliament but we cannot see any reason why he should not be a Member of the European Parliament.' It makes the situation more flexible, and I suggest that we ought to adopt it. I am quite certain the result would be not that the national parliaments would add incompatibilities but that they would delete a number of incompatibilities from the ones that exist at the national level.

President. — What is the rapporteur's position?

Mr Patijn, rapporteur. — (NL) The difference between the text proposed by Mr Yeats and my text is that I have simply stated that the national provisions relating to incompatibility with other functions are to be applied. The proposal made by Mr Bourges and Mr Yeats on behalf of the Group of European Progressive Democrats implies that they think there is a gap which must be dealt with by the national parliaments. If it is said that existing national provisions must be applied and the national parliaments lay down no such provisions, then you really can talk of a gap. If the special situation referred to by Mr Yeats does arise, namely that someone should be eligible for the European Parliament who may not be elected to the national parliament, then there is of course no objection to legislating nationally for this. There must, however, be a point of departure, and this must be the existing national legislation. I admit that the French text is badly worded on this point. I quote: '...les dispositions nationales relatives aux incompatibilités s'appliquent mutatis mutandis'. I do not think this is a very good translation. The versions in the other five languages are in order. I think the French text should read as follows: '...les dispositions nationales relatives aux incompatibilités sont applicables'. This means that it continues to be up to the national legislators to make special provisions, on the basis of existing regulations, for the European Parliament. But you must start with something which already exists, to which additions can then be made. The amendment by Mr Bourges and Mr Yeats gives the impression that there are no regulations at all and that they must be laid down by the national parliaments in the nine Member States. This is why, to ensure order and certainty as to the legal position, and in view of the arguments I have just put forward, I should prefer to reject this amendment by Mr Bourges and Mr Yeats.

President. — I call Mr Scelba.

Mr Scelba. — (I) The text proposed by the rapporteur gives rise to truly absurd consequences as has been pointed out by my colleague who has tabled the amendment.

As I have already mentioned, in my country, for example, the mayors of towns with more than 40 000 inhabitants cannot become members of the national parliament. In France the opposite is true and yet the provision contained in the Draft Convention would sanction these contradictions. This is unacceptable.

The amendment goes back to the text of the 1960 draft which, on this point, was as follows: 'Each Member State shall determine whether, and to what extent, the incompatibilities laid

Scelba

down by its law with regard to the exercise of a national parliamentary mandate shall apply to the exercise of a mandate in the European Parliament.' This was a plain, comprehensible and rational formula. I would thus recommend the adoption of this amendment which corrects the irrational text that we have been given and restores, even if not in the same form, the much clearer and much more explicit text of 1960.

President. — I put amendment No 10 to the vote.

Amendment No 10 is rejected.

I put Article 6 to the vote.

Article 6 is adopted.

On Article 7 I have Amendment No 14 tabled by Mr Bordu and Mr D'Angelosante and worded as follows:

'Article 7

This article to read as follows:

"The elections shall be held in accordance with a uniform electoral procedure based on the system of proportional representation."

I call Mr D'Angelosante to move this amendment.

Mr D'Angelosante. — (I) Mr President, the reasons for this amendment have already been put forward. To a certain extent this amendment represents our entire position as already outlined during the general debate.

By this amendment we propose that Parliament should introduce the proportional system and eliminate the two phases, i.e. the immediate introduction of a uniform electoral system.

The rapporteur has countered this opinion of ours merely with arguments of caution without however explaining who and what we are to be wary of. Since this is a question of principle we insist on this amendment and ask the House to approve it.

President. — What is the rapporteur's position?

Mr Patijn, rapporteur. — (NL) Mr President, I wish that Parliament were able to decide on one electoral system or the other. My findings are that Parliament is not in a position to do so at the moment. For these reasons I consider it wrong and unrealistic to anticipate the nature and content of this electoral procedure, which we ourselves have yet to work out. I will confine myself to this comment and ask Parliament not to adopt this amendment.

President. — I call Mr Memmel.

Mr Memmel. — (D) Mr President, one question to the rapporteur: the rapporteur has tabled Amendment No 1, in which he wants to change 1980 to 1978; in that case, should he not also change 1980 to 1978 in paragraph 1 of Article 7, on which we are now to vote?

President. — I call the rapporteur.

Mr Patijn, rapporteur. — (NL) Mr President, Mr Memmel is stating the obvious. 1978 refers to the date of the first elections. 1980, which appears in Article 7, refers to the drawing up of a proposal for a uniform electoral system. I and everyone else with me believe, Mr Memmel, that the first election in 1978 will not, as I have just told Mr D'Angelosante, be held according to the uniform electoral system. In this situation it is realistic to state that a uniform electoral system, on which study may begin tomorrow but has not yet begun, will not be drawn up before 1978. By taking 1978 in the text of the Convention as the date for drawing up a proposal, I might leave Parliament too little time. That is why I chose 1980.

The European Parliament must draw up the procedure by 1980. So much the better if we can draw up the uniform electoral system by 1978, but I want to extend the time limit a little, because we may well need that amount of time. In any case the system must be drawn up by 1980.

President. — I put Amendment No 14 to the vote.

Amendment No 14 is rejected.

I put Article 7 to the vote.

Article 7 is adopted.

On Articles 8 to 12 I have no amendments or speakers listed.

I put these to the vote.

Articles 8 to 12 are adopted.

On Article 13(1) I have two amendments:

— Amendment No 11 tabled by Mr de la Malène and worded as follows:

'Article 13(1)

This paragraph to read as follows:

"1. The date of the first elections to the European Parliament by direct universal suffrage in accordance with the provisions of this Convention shall be fixed by the European Council."

President

— Amendment No 1 tabled by Mr Patijn on behalf of the Political Affairs Committee and worded as follows:

'Article 13(1)

Replace the words "May 1980" by "May 1978".'

I call Mr de la Malène to move Amendment No 11.

Mr de la Malène. — (F) Mr President, I shall be brief as I have no illusions as to the fate which awaits my amendment. Over the last 15 years I have all too often seen this type of debate, in which the dates have to be fixed in advance and are then not retained. This House proposes Europe, and the peoples and governments dispose. This is why I have tabled this amendment, I repeat, without any illusions as to the fate which awaits it.

At the same time, Mr President, I should like to defend my second amendment, modest in scope as it is: it requests the deletion of the adjective 'exact' in the second paragraph of Article 13, which, at least in the French text, seems to me superfluous.

President. — What is the rapporteur's position?

Mr Patijn, rapporteur. — (NL) I cannot say that Mr de la Malène made a very spirited defence of his amendment. I could well make a spirited counter-remark, but I do not think it necessary. It is clear that we have to fix the date for the elections ourselves. I suggest 1978, as can be seen from my Amendment No 1 on behalf of the Political Affairs Committee. I am prepared to accept Amendment No 12 by Mr de la Malène on the deletion of the word 'exact'. It is a marked improvement in the text if the word 'exact' in Article 13, paragraph 2, is deleted, as it adds nothing to the text.

President. — I put Amendment No 11 to the vote.

Amendment No 11 is rejected.

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put Article 13(1) so amended to the vote.

Article 13(1) is adopted.

On Article 13(2) I have Amendment No 12 tabled by Mr de la Malène and worded as follows:

'Article 13(2)

Delete the word "exact".'

The rapporteur has already indicated that he agrees to this change.

I put Amendment No 12 to the vote.

Amendment No 12 is adopted.

I put Article 13(2) so amended to the vote.

Article 13(2) is adopted.

I put the whole of Article 13 so amended to the vote.

Article 13 is adopted.

On Article 14 I have Amendment No 8 tabled by Mr Bourges and Mr Yeats on behalf of the Group of European Progressive Democrats and worded as follows:

'Article 14

Delete the last sentence.'

I call Mr Yeats to move this amendment.

Mr Yeats. — Mr President, this amendment seeks to eliminate from Article 14 the last sentence. This is the article which was referred to a short time ago by the rapporteur. He pointed out, and I think that one can certainly agree completely with him, that it was necessary to have a general article of this kind to provide for details which for whatever reason were not included or foreseen in this Convention, relating to the implementation of direct elections. It is necessary, quite clearly, to have an article like this. But what I and my group fail to see is why, when considering how the direct elections to this Parliament are to be implemented, it is necessary to consult the Commission. Now I wish to stress that this is not in any sense intended as criticism of the Commission. We have the highest respect for the Commission and the work it does. But I think one must have regard to the functions which are given to the Commission in the EEC. In the Community, Parliament and the Council share the legislative power.

The Commission is in part the executive, and indeed the various articles of the Treaty of Rome which refer to the legislative process naturally exclude the Commission from this. I think the rapporteur included this reference to the Commission through a misunderstanding, if I may be so bold as to say so in view of the extraordinarily able job he has done throughout. I hesitate to suggest such a thing, but in the last line of his explanation to Article 14, he says this role is already assigned to the Commission elsewhere in the Treaties, for example Article 126 EEC. Now if one looks up Article 126 of the EEC Treaty, one finds it relates to the Social Fund, which is clearly a matter directly related to the activities of the Commission and it is only right that they should be consulted with regard to it. But I do not think that we as a

Yeats

Parliament ought to concede that on matters strictly relating to the parliamentary process, which are strictly a matter between us and the Council, it ought to be necessary to consult the Commission. So I would ask the rapporteur to agree to delete this sentence.

President. — I call Mr Scelba.

Mr Scelba. — (I) Mr President, I call for a split vote on Article 14, i.e. for a separate vote on the phrase 'acting unanimously'.

My reason is this: the European Parliament has always protested against the application of the Luxembourg Agreement which imposed the rule of unanimity. Equally contradictory is the fact that Parliament, which must be heard in advance, decides on a majority basis whereas the Council would have to decide unanimously.

I therefore hope that Parliament will reject this rule of unanimity and leave the Council to act as it thinks best. I repeat that unanimity is contrary to the attitude of this House.

President. — What is the rapporteur's position?

Mr Patijn, rapporteur. — (NL) Mr President, the Commission is mentioned in two places in this Draft Convention, namely here and in Article 2, paragraph 2, which states that the Commission as well as the Member States and Parliament may propose to the Council changes in the number of members of the Parliament. Thus the Parliament and the Council do not regard the elections as something which concerns them exclusively. A short while ago we adopted Article 2, paragraph 2.

Secondly, Mr Yeats is of course right in saying that Article 126 of the EEC Treaty relating to the European Social Fund clearly assigns a role to the Commission. But I cannot at present foresee what administrative measures will have to be adopted jointly by the Council and Parliament, for example in the budgetary field or in the field of institutional or legal provisions, in the adoption of which the Commission, as guardian of the Treaty and sometimes also as administrative and executive body in the Community, should participate under the terms of Article 155. The Commission cannot influence agreement between Parliament and Council in the sense that its vote is mandatory. It advises. In view of the uncertainty with regard to the measures to be adopted during the coming years, I find this a very useful provision. Therefore I should like to ask the House to reject this amendment.

President. — As for Mr Scelba's request to have separate votes on the two parts of the first sentence of Article 14, so that the words 'acting unanimously' are voted on in isolation, I do not know if it is possible to have two votes on two parts of the same sentence. I would not have thought so, and besides no amendment has been tabled. If Mr Scelba had been consistent, he would have tabled an amendment to withdraw the unanimity requirement. But now that there is no amendment, I think a vote must be taken on the article as a whole.

I put Amendment No 8 to the vote.

Amendment No 8 is rejected.

I now put the proposal by Mr Scelba to the vote. The proposal is rejected.

I now put Article 14 as a whole to the vote.

Article 14 is adopted.

On Article 15 I have no amendments or speakers listed.

I put it to the vote.

Article 15 is adopted.

On Article 16 I have Amendment No 2 tabled by Mr Patijn on behalf of the Political Affairs Committee and worded as follows:

'Article 16

This article to be worded as follows:

"This Convention is drawn up in the Danish, Dutch, English, French, German, *Irish* and Italian languages, all seven texts being equally authentic."

I call Mr Patijn to move this amendment.

Mr Patijn. — (NL) Mr President, Mr Yeats was kind enough to point out to me that, since an official amendment is being made to the Treaty, Irish will also have to be adopted as an official language for this Convention. Therefore 'Irish' is inserted between 'French' and 'Italian and Dutch'—at least that is the order in the Dutch text. This must be so because it involves an official amendment to the Treaties of Rome and Irish must therefore be included. That is the purpose of my amendment.

President. — I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I put Article 16 so amended to the vote.

Article 16 is adopted.

On Article 17 I have no amendments or speakers listed.

I put it to the vote.

Article 17 is adopted.

President

I note that we have thus adopted a Draft Convention to replace the Draft Convention adopted on 17 May 1960.

Therefore we can now vote on the sixth paragraph of Part I of the motion for a resolution.

I put it to the vote.

The sixth paragraph is adopted.

We shall now consider Part II of the motion for a resolution.

I have no amendments or speakers listed.

I put it to the vote.

Part II of the motion for a resolution is adopted.

We shall now vote on the motion for a resolution as a whole incorporating the various amendments that have been adopted.

I would point out that Mr Spénale and a certain number of representatives of the Socialist Group have requested that this vote be taken by roll call.

I call Mr Spénale.

Mr Spénale. — (F) Indeed, Mr President, I did submit a request, signed by ten members of the Socialist Group and myself, that this vote be taken by roll call. The importance of this question is such that it is desirable to find out the number of Members who were present today to vote on this matter.

President. — I call Mr Memmel.

Mr Memmel. — (D) I support Mr Spénale's request for a roll call, particularly because an old wish of mine was yet not fulfilled today. I mean that, as during voting on previous occasions when the results were close and there was a risk that a quorum did not exist, it was again only the officials and not we, the Members of Parliament, who knew the voting results!

President. — I call Mr Klepsch to explain his voting intentions.

Mr Klepsch. — (D) I shall support the motion, although it is based on a principle regarding the number of Members which I find unsatisfactory. I would have preferred to see Lord Reay's request regarding the number of Members adopted as a compromise. In spite of this reservation, I shall vote positively in the final vote.

President. — I call Mr Romualdi for an explanation of vote.

Mr Romualdi. — (I) On behalf of the party I represent in the Italian Parliament and thus in the European Parliament I shall vote in favour of this motion for a resolution in the same spirit as my party did in favour of the Treaties of Rome fifteen years ago. I think that this important decision, with which I am delighted, may revive many hopes of European political union which seemed lost for ever. As Mr Ortoli said, this might not dissolve our doubts and difficulties, but it certainly augurs well for the future. I am honoured to be called upon, at the request of Mr Spénale, to explain our vote of approval of this Draft Convention.

President. — We shall now take a vote by roll call.

This will begin with Mrs Goutmann, whose name has been drawn by lot.

The vote may commence.

I ask the Secretary-General to call the roll.

Does anyone else wish to vote?

The ballot is closed.

Here is the result of the vote.

Number of Members voting: 125

The following 106 Members voted in favour;

Mr Adams, Mr Albers, Mr Andreotti, Mr Ariosto, Mr Artzinger, Mr Bass, Mr Bayerl, Mr Behrendt, Mr Berkhouwer, Mr Alfred Bertrand, Lord Bessborough, Mr Blumenfeld, Mr Boano, Mr Brewis, Mr Broeksz, Mr Brugger, Mr Carpentier, Mr Cifarelli, Mr Corterier, Mr Creed, Mr De Clercq, Mr De Keersmaecker, Mr Delmotte, Mr Didier, Sir Douglas Dodds-Parker, Mr Dondeinger, Mr Dunne, Mr Durieux, Lady Elles, Mr Fellermaier, Mrs Fenner, Mr Flämig, Miss Flesch, Mr Frehsee, Mr Früh, Mr Gerlach, Mr Geurtsen, Mr Giraud, Lord Gladwyn, Mr Van der Gun, Mr Hansen, Mr Härzschel, Mr Van der Hek, Mr Herbert, Mr Hill, Mr Howell, Mr Hunault, Mr Johnston, Mr Jozeau-Marigné, Mr Kavanagh, Mr Kirk, Mr Klepsch, Mr De Koning, Mr Laban, Mr Lagorce, Mr Lange, Mr Lautenschlager, Mr Lenihan, Lord Lothian, Mr Lückner, Mr McDonald, Lord Mansfield, Mr Martens, Mr Meintz, Mr Memmel, Mr Mittendorfer, Mr Willi Müller, Mr Emile Muller, Mr Mursch, Mr Ney, Mr Noè, Mr Nolan, Mr Normanton, Mr Notenboom, Mr Nyborg, Mrs Orth, Mr Outers, Mr Patijn, Mr Pêtre, Mr Pianta, Mr Radoux, Lord Reay, Sir Brandon Rhys Williams, Mr Romualdi, Mr Rosati, Lord St. Oswald, Mr Santer, Mr Scelba, Mr Schmidt, Mr Scholten, Mr Schuijt, Mr Schwabe, Mr Schwörer, Mr Scott-Hopkins, Mr Seefeld, Mr Shaw, Mr Spénale, Mr Springo-

President

rum, Mr Thornley, Mr Vandewiele, Mr Vernaschi, Sir Derek Walker-Smith, Mr Walkhoff, Mrs Walz, Mr Yeats and Mr Zeller.

The following 2 Members voted *against*:

Mr Espersen and Mr Nørgaard.

The following 17 Members *abstained*:

Mr Ansart, Mr Bordu, Mr Bourges, Mrs Caretoni Romagnoli, Mr Cointat, Mr Cousté, Mr D'Angelosante, Mrs Goutmann, Mr Hartog, Mr Leonardi, Mr Liogier, Mr de la Malène, Mr Marras, Mr Brøndlund Nielsen, Mr Petersen, Mr Rivierez and Mr Sandri.

As more than a third of the current Members of Parliament have taken part in the vote, it is valid.

The resolution as a whole is adopted.¹

(Loud applause)

5. Change in the agenda

President. — I call Mr Spinelli.

Mr Spinelli, member of the Commission of the European Communities. — (F) Would it be possible, in tomorrow's agenda, to place the joint debate on the two questions on the Community's attitude to South Africa immediately after the debate on item No 298 on the agenda? The Council agrees with this proposal.

President. — I put the proposed change to the vote.

Are there any objections?

That is agreed.

6. Agenda for next Sitting

President. — The next sitting will be held tomorrow Wednesday 15 January 1975, at 12 noon and 3 p.m., with the following agenda:

- Question Time;
- Report by Mr Radoux on the results of the Paris Summit Conference;
- Oral question with debate to the Council on the Committees on Implementing Provisions;
- Joint debate on
- Oral question to the Council on the Community's attitude to South Africa
- Oral question to the Commission on the Community's attitude to South Africa;
- Oral question with debate to the Council on the code of conduct for maritime transport conferences;
- Oral question with debate to the Council on the status of women.

The sitting is closed.

(The sitting was closed at 8.10 p.m.)

¹ OJ No C 32 of 11. 2. 1975.

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IN THE CHAIR: MR BERKHOUWER
(President)

(The sitting was opened at 12 noon)

President. — The sitting is open.

1. Approval of the minutes

President. — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes of proceedings are approved.

2. Membership of committees

President. — I have received from the Christian-Democratic Group a request for the appointment of

- Mr Santer as member of the Legal Affairs Committee and the Committee on Social Affairs and Employment;
- Mr Ney as member of the Committee on Energy, Research and Technology and the Committee on Cultural Affairs and Youth;

— Mr Notenboom as member of the European Parliament Delegation to the Parliamentary Conference of the EEC-AASM Association.

I have received from the Socialist Group a request for the appointment of Mr Faure as member of the European Parliament Delegation to the Parliamentary Conference of the EEC-AASM Association.

I have received from the Liberal and Allies Group a request for the appointment of Mr Geurtsen to the Legal Affairs Committee.

Are there any objections?

These appointments are ratified.

3. Change in the agenda

President. — Last week in Dublin I had a particularly gratifying talk with the President of the Council, Mr FitzGerald, who told me that he would make every effort to spend the whole of today with us.

In the meantime, you will have read in this morning's papers that the negotiations with the 46 ACP countries have given some trouble but hold out prospects of a good outcome. As a result, Mr FitzGerald, to his great regret, will probably not be able to be here before about 5 p.m.

President

We have therefore decided, in agreement with the rapporteur, to begin at about that time the debate on the important report by Mr Radoux on the results of the Summit Conference.

After the end of the plenary sitting, the committees concerned will meet for the Luns procedure in Room 601 of this building.

Until Mr FitzGerald's arrival, the Council will be represented by its acting President, the Irish Minister of Agriculture, Mr Clinton, whom I gladly take this occasion of welcoming in our midst.

I call Mr Radoux on a point of order.

Mr Radoux. — (F) Mr President, our individual circumstances and commitments being what they are, can the Assembly be certain whatever happens—supposing, for example, that the President of the Council could not come—that this debate will take place today?

President. — Mr Radoux, I think that we must in any case begin the debate at about 5 p.m.

Mr Ortoli, too, will be attending the debate on behalf of the Commission.

5. Question Time

President. — The next item on the agenda is Question Time. The text of the questions has been published in Doc. 434/74.

We shall begin with the questions addressed to the Council of the European Communities.

Question No 1, by Mr Hougardy, on the proliferation of initiatives in the energy sector, will be answered in writing, since Mr Hougardy is not here.¹

Question No 2, by Sir Douglas Dodds-Parker, is worded as follows:

'Subject: Relations with Canada

What instructions have now been given to the Commission to pursue urgent negotiations with Canada?'

I call Mr Clinton to answer this question.

Mr Clinton, President-in-Office of the Council of the European Communities. — Mr President, before starting to reply, may I express my thanks to you for your acceptance of the explanation for the absence of my colleague Mr FitzGerald? I want to apologize for his absence

and to say that it was quite impossible for him to be here. As you said, he is conducting these important negotiations with the ACP countries, and I think he is very optimistic about the outcome. I think it might do no harm to explain that I know as much about foreign affairs as he knows about agriculture. Perhaps I am being unfair to him, and I do not want to quantify this; I am just making it known so that the supplementary questions are not made too difficult for me.

At its meeting on 14 and 15 October in Luxembourg, the Council established in broad outline the attitude to be adopted by the Member States and the Commission concerning the relations between the Community and Canada, on the occasion of the visit of Prime Minister Trudeau. The Council stressed the importance which the Community, on the one hand, and Canada, on the other, attach to the strengthening of their traditional ties and to the development of their economic and trade relations.

In view of their common cultural and historical links, and the major part they play in international economic relations and the ensuing obligations, the Council considered that the strengthening of ties—in a manner which remains to be negotiated between the parties—would enable relations between the Community and Canada, based on their joint membership of GATT and their participation in the OECD, to be cemented and the already established practice of consultation to be continued and intensified, thus offering new opportunities for developing mutual cooperation in the interests of all. The Canadian Prime Minister met the President and Members of the Commission on 24 October 1974. Following these meetings, it was agreed that exploratory discussions would be continued between the two parties with a view to finding the most suitable framework in which relations between the Community and Canada could be developed in future. The Council is to discuss this question again on the basis of the report the Commission is to submit to it on the outcome of the exploratory talks.

President. — I call Sir Douglas Dodds-Parker.

Sir Douglas Dodds-Parker. — Mr President, on behalf of the whole Parliament may I welcome the Irish representative to the hot seat for the first time? I am sure that he will find foreign affairs in the Parliament less hot than Irish agriculture, and we look forward to hearing him reply on foreign affairs and any other subject which may come up.

¹ See Annex.

Dodds-Parker

While thanking him for his present answer, which didn't go as far as I hoped it might, may I urge on him the need for the Commission to be authorized to negotiate an economic agreement with Canada to effect a two-way exchange of European investment in Canada and outlets especially for Canadian natural resources into the Community?

Mr Clinton. — In reply, may I say that, since the Commission has received the mandate to commence exploratory talks with Canada, it is quite free to raise in the course of the talks—which for the time being do not entail any obligation for the Community—any subject which it deems useful and expedient, having due regard to the wishes of its Canadian counterparts.

President. — I call Mr Normanton.

Mr Normanton. — Mr President, in view of the acute difficulties facing the paper and pulp-products market of the European Community and in view of the interest of Canada in this particular field, I wonder whether the acting President-in-Office of the Council can assure the House that the Council will place very high on the agenda the importance of the closest collaboration in this particular industrial field between the Community and Canada.

President. — I call Mr Clinton.

Mr Clinton. — The Council, I think, must wait until the Commission's proposals are at hand, but I certainly will take note of the views expressed by this Member.

President. — I call Lord Reay.

Lord Reay. — In view of the character of Canada's economy and its status as an exporter of raw materials, quite apart from the factor of the cultural ties which the acting President-in-Office mentioned, does not the acting President-in-Office think that the remarkable interest which the Canadian government has shown in developing its cooperation with the Community as such presents the Community with a very considerable opportunity and that it would be irresponsible for the Community to fail to respond, or to delay in responding to this initiative?

President. — I call Mr Clinton.

Mr Clinton. — I can only say that the Community approaches this in a very positive spirit.

President. — Question No 3, by Mr Brewis, is worded as follows:

Subject: Company Law

'In view of the need to encourage investment and economic activity in the Community, when does the Council expect to approve the Second Directive on Company Law and the Statute of the European Company?'

I call Mr Clinton to answer this question.

Mr Clinton, President-in-Office of the Council of the European Communities. — With regard to the proposal for a second directive on the formation and capital of limited companies, the complexity of the subject and above all the differences between the company law of the Member States has prevented the Council from acting on this proposal by 1 January 1975 in accordance with its resolution of 17 December 1973 on industrial policy. The Council of Ministers of Justice emphasized, however, on 26 November 1974 that the discussions within the Council on the directive should be completed as soon as possible.

With regard to the statute of the European Company, the Council agreed in the above resolution to begin examining the proposed regulation as soon as the Commission, taking account of the opinions of the European Parliament and the Economic and Social Committee, had submitted its revised proposal and to make every effort to complete this examination as soon as possible. At its meeting on 26 November 1974 the Council took note of the Commission's intention to put an amended proposal before it early in 1975.

President. — I call Mr Brewis.

Mr Brewis. — Mr President, may I hope that the Right Honourable gentleman's versatility also extends to the complexities of company law. Is it not rather disappointing that the second directive has already fallen behind its dead-line? The other directive cannot be considered until this has been adopted.

Could the Right Honourable gentleman say whether, at the meeting of the Council of Ministers of Justice, any consideration was given to worker participation in the European company and, if so, what conclusions were reached?

President. — I call Mr Clinton.

Mr Clinton. — May I say, Mr President, that the Council is working as hard as it can on a highly complex matter.

Clinton

In reply to the second part of the question, the problem raised by the Honourable Member is one of those which were discussed in detail during the preliminary studies concerning the statute of the European Company. However, the Council itself will examine all the problems involved when it has received the revised proposals which the Commission will be submitting to it in the light of the opinions of the European Parliament and the Economic and Social Committee.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President of the Council, would you agree that in view of the Commission's energetic attempts to make progress in these matters and the fact that Parliament has fully discharged its responsibilities, European public opinion has been led to entertain certain expectations which cannot be reconciled with the Council's slowness?

President. — I call Mr Clinton.

Mr Clinton. — Mr President, the Council cannot act until it has the revised proposals of the Commission, otherwise the opinion of Parliament cannot be taken into consideration.

President. — I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith. — Can we assume that when the Council of Ministers does come to consider the amended proposal from the Commission, it will take into account not only the opinion of Parliament, as formulated in various majority decisions, but also all those constructive proposals put forward by members of this group and others which, while giving effect to the principle of employee participation, would do so in a way which would make possible the practical conduct and day-to-day management of these companies?

President. — I call Mr Clinton.

Mr Clinton. — Mr President, I would hope that all these matters would be taken into careful consideration.

President. — I call Mr Broeks.

Mr Broeks. — (NL) Mr President, I have understood that the Commission has not yet sent its proposals regarding the European Company to the Council. This surprises me, because we have, as Parliament, been informed that the Commission is ready to adopt our proposals.

We have formed the impression that the Commission was ready with its proposal.

My question is whether this impression is correct and whether the Council has in fact not received the proposal.

President. — I call Mr Clinton.

Mr Clinton. — Mr President, we have not yet received it.

President. — I call Mr Brugger.

Mr Brugger. — (D) Does the Council intend to submit the amended proposal to Parliament again, and, if so, when?

President. — I call Mr Clinton.

Mr Clinton. — I reply to that supplementary question, Mr President, I would say that it entirely depends on what is in these proposals.

President. — I call Mr Ortoli.

Mr Ortoli, President of the Commission of the European Communities. — (F) Mr President, we have not yet tabled new proposals. This, in fact, is a tribute to the work done by Parliament, which has put forward 70 amendments, some of them of extreme importance.

Some very hard work will be necessary before we shall be able to come to a conclusion with regard to these amendments and, if necessary to change our position. The matter is too serious for us to be able to say, today, how many days it will take us to make new proposals.

Also, finalizing the texts calls for an enormous amount of translation and legal revision. This is in hand, and this is why I would repeat that we cannot hope to make new proposals in the next few days. Rest assured, however, that our intention is to make them as soon as ever possible. My colleague Mr Gundelach will, I am sure, be able to give all the necessary information on this point at an early meeting of Parliament or of the Legal Affairs Committee.

President. — Question No 4, by Mr Albertsen, is worded as follows:

'Subject: Treatment of the Jewish minority in certain Arab States

Does the Council intend to raise the question of safeguarding the human rights of the Jewish minority in certain Arab States during the forthcoming negotiations with the Arab States?'

I call Mr Clinton to answer this question.

Mr Clinton, President-in-Office of the Council of the European Communities. — As the Council has repeatedly stated, all Member States attach the greatest importance to human rights. It does not appear, however, that the question put by the Honourable Member could come within the scope of the dialogue with the Arab States, as this dialogue concerns only economic problems.

President. — I call Mr Albertsen.

Mr Albertsen. — (DK) Mr President, the reason for my question to the Council is directly connected with the developments that have taken place in the Arab States in recent years. It is well known—certainly to the peoples of Europe—that a minority of Jews are suffering a tragic fate quite out of keeping with their rights under the treaties signed by those states. I am very sorry that the answer I have been given is that it will be impossible to take the subject up in the dialogue to be established between the European Community and the Arab States, which in my opinion is of the utmost importance.

I should very much appreciate it, however, if a close eye could be kept on this problem. We have a responsibility, especially when we...

President. — Mr Albertsen, only a short supplementary question, please.

Mr Albertsen. — (DK) I should appreciate it if the President of the Council could state a definite position on the problem, but I understand that for technical reasons that cannot be done for the time being.

President. — I call Mr Clinton.

Mr Clinton. — Mr President, I can only take note of what has been said. There is really nothing more that I can add to the reply I have already given.

President. — I call Mr Normanton.

Mr Normanton. — Mr President, may I assure the acting President-in-Office of the Council of Ministers that this House universally deplores the treatment being meted out to Jewish minorities in the Arab States and, indeed, to minorities anywhere.

However, in view of the fact that in the question there is a reference to the forthcoming negotiations with the Arab States, can the Council assure this House that if there are to be any negotiations with these Arab States they will also form part of negotiations continuing *pari*

passu with Israel as well and not selectively with the Arab States as opposed to Israel?

President. — I call Mr Clinton.

Mr Clinton. — Mr President, I am afraid that this is in a different context, and I regret that I could not give any such assurances.

President. — I call Mr Patijn.

Mr Patijn. — (NL) Mr President, may I assume from the reply given by the President of the Council, who says that the dialogue with the Arab States concerns only economic problems and not human rights, that the Council's view is that the past association with Greece was wrongly put on ice?

President. — I call Mr Clinton.

Mr Clinton. — The answer to that supplementary question, Mr President, is 'No'. I think that the reply emphasizes that the Member States attach the greatest importance to human rights.

President. — I call Mr Blumenfeld.

Mr Blumenfeld. — (D) Can the President-in-Office of the Council at least give us an assurance that, even if he considers that the Euro-Arab dialogue will only deal with economic questions, in preparation for the dialogue information will be given to the Parliament and the general public on the treatment of Jewish minorities in the Arab countries and on the discrimination practised against those minorities in these countries?

President. — I call Mr Clinton.

Mr Clinton. — Mr President, I am afraid that I can only report these views to my colleague the Minister concerned.

President. — We now proceed to the questions addressed to the Commission of the European Communities.

Question No 5, by Mr Johnston, is worded as follows:

'Subject: Grants for study programmes for the UK regions

Has the Commission received official notification from the British Government of the postponement or cancellation of the studies into industrial and regional problems in South Wales and elsewhere in the United Kingdom, and, if so, what stage had

President

negotiations reached when such notification was received and what reasons, if any, were given for this action?¹

I call Mr Scarascia Mugnozza to answer this question.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, in 1974 the Commission discussed with the British Government the possibility of contributing Community funds for a certain number of studies, the subjects of which included South Wales. The discussions were interrupted by the British Government midway through last year. However that may be, the Commission is always ready to enter into agreements regarding such studies whenever the British Government should so decide.

President. — I call Mr Johnston.

Mr Johnston. — Mr President, can I take the opportunity of saying that we are all very sorry to hear that Mr Thomson is unwell, and wish him a speedy recovery.

On the question itself, could Mr Scarascia Mugnozza say whether anything of this sort has ever happened in any other Community country before? Is it not, in fact, very strange behaviour for a Member State to reject assistance for regional problems? Is it not equally regrettable that such assistance should be jeopardized and the time of the Commission wasted because of domestic disagreements within the United Kingdom?

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza. — (I) There have been other cases, but for purely technical reasons.

President. — I call Mr Hill.

Mr Hill. — Perhaps it might be as well at this stage if the Commission could reassure the British government, because there was a fear that the regional policy development programme would be controlled from Brussels. Those who have worked on this Regional Development Fund know that all regional problems will be put forward by the Member States and will in no way be controlled from Brussels, except as regards approval of the percentage of the

Fund which will be applicable to that project. It therefore remains for the Commission, if it would, to assure the British Government that study funds will not be in any way removing any part of their sovereignty over regional policy programmes.

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza. — (I) Mr President, I should like to give an assurance that whenever the British Government should decide to approve the studies, the Commission will be ready with the necessary funds.

President. — I call Mr Glinne.

Mr Glinne. — (F) Mr President, I should like to ask the Commission whether the funds initially earmarked for these proposed studies on South Wales have been reallocated to other purposes and, if so, which?

Mr Scarascia Mugnozza. — (I) They are still available.

President. — Since its author is not present, Question No 6, by Mr Cipolla, will be answered in writing¹.

Question No 7, by Mr Cousté, has been withdrawn.

Since its author is not present, Question No 8, by Mr Noë, will be answered in writing¹.

Lord O'Hagan, author of Question No 9, is also not present. On this point, I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I wish to deputize for Lord O'Hagan in putting his question to the Commission. You have the request in writing in front of you.

President. — Question No 9, by Lord O'Hagan, is worded as follows:

'Subject: Balance of payments of Member States

To what extent does membership of the EEC improve or worsen the balance of payments of Member States?'

I call Mr Fellermaier to speak on a point of order.

Mr Fellermaier. — (D) Mr President, it is extremely unusual for a Member of this House to state that he has taken over a question.

¹ The Commission of the European Communities proposed in 1974 to enter into partnership with the British Government to carry out these studies. Now there are reports that the British Government has declined to take advantage of funds earmarked by the Commission for this purpose and that these funds have now been disposed of elsewhere.

¹ See Annex.

Fellermaier

According to the rules for Question Time, the author of a question must inform the President of the name of the Member to whom he is transferring that question. I am not criticising my honourable colleague, but I believe that the House should respect the rules it has itself laid down.

President. — Mr Fellermaier, before you asked for the floor, I had already taken note of a written communication to the effect that Mr Scott-Hopkins was to deputize for Lord O'Hagan.

I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, I have to point out that last year Lord O'Hagan put a written question to the Commission on the problems concerning Great Britain in 1973. The Commission gave a full reply to this question in September.

Today, I am obliged—though not wishing to do so—to read a page of comments by the Commission concerning Lord O'Hagan's question in order to show how difficult and complex this problem is. After reading this page I would advise Lord O'Hagan, or whoever is representing him, to put today's question in the form of a written question so that the Commission can give the detailed and complete answer that the complexity of the problem calls for.

I will therefore read the comments of the Commission:

'An exhaustive reply to the question raised by the honourable questioner is extremely difficult, particularly in oral debate. The first point to be considered is the comparative diversity of operations covered by the balance-of-payments concept: goods, services, incomes, private and public transfers, capital movements. In addition, highly complex methodological problems arise in any attempt to compare the actual trends in the balance of payments of Member States with what they would have been had these countries not been members of the Community.

'But it is permissible to note that there is broad agreement on the scale and widespread nature of the trade-generating effects to which the institution of the Community has given rise, whereas it would appear that any trade-diverting effects would appear to be only marginal. In that event, considerable difficulties arise in any attempt to quantify with accuracy the overall impact of such trade-generating and diverting effects on the balance of payments of each Member State.

'I shall confine myself to noting, with regard to trends prior to the enlargement of the Community, that the total increase achieved by the Community in trade in goods and services with third countries remained practically unchanged after the setting up of the Community. This would suggest that any changes in individual Member States' foreign trade position in goods and services were balanced out among themselves.

'The period following the enlargement of the Community is too short to deliver any valid judgment on the problem raised. The worsening in the balance of current payments which, for Member States, coincided with the enlargement of the Community, cannot in any way be attributed to Community membership. It is due more to incidental factors, such as the excessive pressure of internal demand, and above all to the worsening terms of trade caused by the escalation in raw materials prices on the world markets—often aggravated by falling rates of exchange. However, it does not seem unlikely that the net influx of capital, enabling the deficit on current account of Member States to be financed, has been prompted in some cases by the new economic prospects opened up by the enlargement of the Community.'

This having been said, Mr President, I should like to repeat my suggestion that a written question be tabled on this problem so that the Commission may give the information requested in fuller and more detailed manner.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, Lord O'Hagan informed me that he would not be able to attend here, and as a matter of courtesy and so that the Commission should have the opportunity of answering his question he asked if a member of my group would put it on his behalf. That was the sole purpose of my writing to you stating that I intended to put the question and nothing else at all.

I thank the Commissioner for his reply but I had, in point of fact, read the original written reply and I thought he would just refer to it. Could he state, just in round terms, not in money figures, that this reply does not refer solely to the new member countries? Secondly, is it not a fact that trade within the Community in the last year has increased and that part of that increase is caused by the trade in oil and oil products inside the Community?

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza. — (I) It is true that within the Community trade has gone up. But I can assure Mr Scott-Hopkins that, both as regards those countries which already belonged to the Community and as regards those countries which joined it later, this study is particularly complex and difficult.

President. — I thank Mr Clinton, Mr Ortoli and Mr Scarascia Mugnozza.

Question Time is closed¹.

I would urge the political groups to remind the authors of questions of the need for them to be present, so far as is possible, during Question Time. In my view, Question Time has a purpose only when attended by as many as possible of those Members who have tabled questions.

I call Mr Fellermaier to speak on a point of order.

Mr Fellermaier. — (D) Mr President, referring to the Rules of Procedure, I am sorry to have to point out that this procedure does not correspond to the rules of the House. According to those rules, the author of a question must inform the President of the name of the Member to whom he is transferring his question. You were good enough to show me a copy of the letter from Mr Scott-Hopkins indicating that he was taking over Lord O'Hagan's question. I am insisting on this point, Mr President, quite simply because under this procedure any Member of the House could, if a colleague were absent, inform the President on his own initiative that he was taking over the question. I therefore cordially invite you, Mr President, to give some thought to the matter.

President. — The relevant rule says that a question may be answered only if the questioner is present or has notified the President in writing, before Question Time begins, of the name of his substitute.

If I am informed that the author of a question cannot be present, and the name of a substitute is given to me in writing, then, in all honesty, I believe I am entitled to assume that the author of the question has indeed asked some one to act as his substitute and that the request is conveyed to me on his behalf.

This is the case here; and I thought, Mr Fellermaier, that I had handled the matter with the flexibility and at the same time with the cor-

rectness that are often demanded of me simultaneously. With that I declare the matter closed. We shall now suspend the proceedings until 3 p.m.

The House will rise.

(The sitting was suspended at 12.45 p.m. and resumed at 3.05 p.m.)

IN THE CHAIR: MR BEHRENDT

(Vice-President)

President. — The sitting is resumed.

5. Time-limit for entering names in the list of speakers on the report on agricultural prices

President. — I propose to the House that the time-limit for entering names in the list of speakers on Mr De Koning's report be fixed at 6 p.m. today.

Are there any objections?

It is so decided.

6. Oral Question with debate: Working procedures of the Committees on Implementing Provisions

President. — The next item on the agenda is the Oral Question, with debate, put by the Committee on Public Health and the Environment to the Council of the European Communities (Doc. 417/74). The question is worded as follows:

'Subject: Working procedures of the Committees on Implementing Provisions

The Committee on Public Health and the Environment of the European Parliament has observed that despite repeated objections by the European Parliament, the working procedures of the Committees on Implementing Provisions (hereinafter referred to as 'committees') have been so arranged by the Council that, at least in practice, the powers of the Commission are undermined.

As is already known, the European Parliament's reservations on legal and constitutional grounds were not dispelled by the answer given by the President-in-Office of the Council, Mr De Koster, on 26 November 1969 to Oral Question No 6/69 on the activities of the committees formed under secondary Community legislation. The Council is therefore asked the following questions:

1. On what grounds did the Council feel authorized, under the committee procedure, to take the power of decision out of the Commission's hands and reserve the right of decision to itself if the opinion of the committee differs from the position taken by the Commission?

¹ See Annex: Oral Questions that could not be answered during Question Time, with written answers.

President

2. Is the Council aware that under this procedure the Commission is dependent on a favourable vote by the committee, whose members (officials of the Member States) have, over and above their purely advisory capacity, substantial powers of codecision, thus weakening the position of the Commission?
3. Can the Council not also see the risk that under this procedure national self-interest will, in the long run, gain the upper hand over Community interests.
4. Does the Council not agree that it is encroaching on the executive powers of the Commission when it rules on differences of opinion between the Commission and officials of the Member States as it thinks fit?
5. Why does the Council reject consultation of the European Parliament in the event of the situation referred to in Question 4?
6. Is the Council aware that as a consequence of the weakening of the Commission's position, the European Parliament's powers of control over the European Executive and its opportunities to exercise them are also substantially reduced?
7. How can the Council explain the contradiction in its argument that its final decision on matters of vital interest to the Member States is essential, while maintaining that participation by Parliament is superfluous since only 'technical implementing provisions' are involved?
8. Does the Council consider:
 - that the transfer of powers from the Commission to the Council and to the committees, on the one hand, and
 - the by-passing of the European Parliament, on the other, brought about by the present committee procedure are compatible with the institutional balance provided for in the Treaties, and, if so, on what grounds?
9. In the light of the committee procedure it has laid down, what is the Council's view on the objection repeatedly made by the younger generation that the structures of the Community, which is made up of democratic Member States, are so opaque that decisions are never taken where they can be supervised, with the result that those responsible can never be identified?
10. Does the Council intend, despite the European Parliament's reservations, to maintain its position, or is it at least considering a solution which will go some way to accommodating the European Parliament's point of view?

I call Mr Walkhoff to speak to this question.

Walkhoff. — (D) Mr President, ladies and gentlemen, I shall briefly elucidate this question on behalf of the Committee on Public Health and the Environment.

The European Parliament has already been looking into the problem at issue here for several years. The committee procedure is in fact part of many directives adopted by the

Council on a proposal from the Commission. Unfortunately, the Council and this Parliament have not managed to reach agreement, despite repeated discussion of this matter. I therefore hope that our debate today will prove fruitful.

I cannot, of course, deal individually with all the points which arise; the speaking-time allocated to me is too short for that. Instead, I shall concentrate on a few aspects which seem important to me.

As long ago as November 1969, this House expressed legal and constitutional objections to the committee procedure as it then existed; the President-in-Office of the Council at that time, Mr De Koster, and former Commission President Rey were present on that occasion. As Mr Deringer then correctly pointed out, in the early days of the Community the sails were set for its subsequent constitutional structures. Institutional equilibrium and democratic structures in our Community must therefore always be preserved. Those are the aims of questions 8 and 9.

Allow me to recall briefly, particularly for the benefit of colleagues from the three new Member States, how the Committees on Implementing Provisions work. They consist of representatives of the Member States with a Commission representative in the chair. They are authorized to consider all the questions which arise in applying regulations or directives to individual sectors.

When the Commission has to consult these committees on the basic texts in order to be able to take implementing measures, the following procedure is applied: the Commission representative submits a draft of the measures concerned to the committee; the committee then adopts its position on these measures within a timelimit which the chairman fixes having regard to the urgency of the matters under examination. The Commission publishes the measures and brings them into effect immediately if they correspond to the committee's opinion; if they conflict with the Committee's opinion, or if no opinion has been delivered, the Commission immediately submits a proposal to the Council on the measures to be taken; if after three months the Council has not taken a decision by a qualified majority, the Commission publishes the proposed measures, which take effect at once.

What, now, are our objections to this procedure?

The Committees are composed of national officials who exercise a considerable influence on the Commission. Experience has shown that this

Walkhoff

influence has not always contributed to the benefit of the Community; sometimes it is characterized by national egoism. At all events, there is a risk that the position of the Commission, the only Community institution to be subject to control by the European Parliament, will be weakened by this influence. Clearly, if the Commission is weakened in this way, the European Parliament's powers of control and supervisory rights over the executive will also be substantially curtailed. This problem is referred to in question 6.

The Commission is also dependent on the opinion of the Committees, whose rôle undoubtedly goes beyond a purely advisory function. If the Commission's proposals do not correspond to the opinion of the committees, the Commission cannot take the measures it has itself proposed but is dependent—for a period of three months—on a decision of the Council. This regularly occurs when the Commission, as the guardian of the Treaties, does not agree with the views of the representatives of the Member States. Generally the questions at issue are not technical, but matters of fundamental importance. The Council specifically confirmed this in November 1969, when it stated that it reserved the final decision for itself when vital interests of Member States were at stake.

We asked at the time, and we ask again today, why the European Parliament is not consulted on such fundamental questions? Question 7 specifically draws attention to the contradiction in the Council's argument. In my view there is a clear alternative here: either the interests involved are really vital, in which case the matters at issue are so important that this Parliament must be consulted on them, or they are in reality technical questions; then it is not necessary for the Council to reserve the decision for itself as it has frequently done in the past. Examples include the transit of fresh meat through the territory of a Member State, methods of inspecting feedstuffs and the transit of cattle or pigs through a Member State when cases of certain cattle sicknesses have been observed.

A further important point seems to me to be the fact that the Committee procedure increasingly transfers responsibilities in practice back from the Commission to the Member States. Experience shows that the technical decisions are very often taken in these committees. The Commission generally only plays a secondary rôle, even if it has the formal power of decision.

Finally, stress must be placed on the disagreeable fact that the younger generation has lost much of its respect for the European Com-

munity. One repeated criticism of the Community is that its structures are opaque, that decisions are not taken in the open where they can be scrutinized and that after the event nobody knows who is responsible for a decision. If a matter is shuttled backwards and forwards between the Commission, the committees and the Council, it often becomes impossible to know who is really responsible for a particular technical decision. This opacity of the Committee procedure is calculated to heighten the mistrust felt by young people of the 'Brussels technocracy', as it is often slightly called.

If young people today are not particularly enthusiastic about Europe, one important reason, to my mind, is the fact that many decisions are taken in the Community in a way which the younger generation cannot understand or follow. That is one of the main reasons why we completely reject the procedure of Committees on implementing provisions in their present undemocratic form.

Finally, let me call your attention to question 10. The nature of the Council's answer to this question will show whether it still adopts a hard line or is ready to compromise and move at least some way closer to our own position.

President. — I call Mr Clinton.

Mr Clinton, President-in-Office of the Council of the European Communities. — Mr President, I have listened with very great interest to what has been said by the Honourable Member and I wish to reply as follows.

The Council is glad to have this opportunity of discussing with the Parliament the procedures which are used in the Committees on Implementing Provisions—the Management Committees and Regulation Committees. These procedures form an important part of the machinery of the Community. Although there was a useful discussion on the subject in 1969, we have several more years of experience to consider since then. The Committee on Public Health and the Environment has put down a large number of questions, but since some of them cover the same ground it would be more convenient if I were to speak on the matter generally and in the course of doing so to reply to all the specific aspects which are raised in the question.

The procedure of the Management Committees and the Regulation Committees is divided between the Commission and the Council. The Commission submits to the committee a draft of the measures which it intends to adopt. The committee expresses its opinion. In each case

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the Commission enacts the measures if the committee's opinion is favourable. If it is not favourable, there is a difference between the procedures adopted in the Management Committees and in the Regulation Committees. In the case of Management Committees, if an unfavourable opinion is given the Commission enacts the legislation but the Council can, within a period of one month, enact legislation in a different form. In the case of a Regulation Committee, if the opinion is unfavourable or if no opinion is given, the Commission makes proposals to the Council and if the Council fails to take action the Commission itself enacts the legislation which it proposed. You will understand that my account of the procedure of these committees throughout this speech is necessarily in very summarized form. Management Committees deal with questions relating to the administration of the organized markets for agricultural products, while Regulation Committees are concerned in particular with questions such as the value of goods for customs purposes, tariff nomenclatures and other questions relating to the import of goods.

Before we go any further, it might be useful to examine what is the actual practice in connection with these committees. It is clear that the procedure may lead to action by the Commission or to action by the Council. Which is it in practice? The answer is that in the preponderant or even the overwhelming number of cases action is taken by the Commission, and the Commission is in no way hampered by the procedure. In connection with the Agricultural Management Committees and the Agricultural Regulation Committees, the total number of favourable opinions given by the committees to the views of the Commission was 982 in 1972 and 1 396 in 1973. The number of cases where the committee was divided and thus expressed no opinion was 47 in 1972 and 77 in 1973. Only in one single case did the committee express a view unfavourable to the Commission's proposal, and on that occasion the Commission presented a revised text which obtained a favourable opinion. It follows that in no single case in these two years in respect of these committees did the Council have occasion to exercise its powers.

In connection with committees concerned with the value of goods for customs purposes, tariff nomenclatures, transport origin and the treatment to be given to goods coming from third countries, 21 opinions favourable to the proposals of the Commission were given in the year 1972. No adverse opinions were given, but in one case the Origin Committee did not give an opinion. Accordingly, in this one case, the Commission

made its proposal but the Council was unable to reach a conclusion on it and, as the procedure provides, it was the Commission which finally enacted the measure on the basis of this one proposal. These figures show clearly that the Commission, in its administration of the matters entrusted to it which are subject to these committee' procedures, exercises a very wide range of competence, and that the action of the committee or Council interfere very little with it.

It will be seen that in a number of cases the committee, by a qualified majority, did not express an opinion. This is also an important point for the proper evaluation of the procedure. In the Management Committee procedure, both in the committee and in the Council a qualified majority must be obtained in order to lead to action contrary to the wish of the Commission. In the Regulation Committee procedure, if the committee is unfavourable or forms no opinion the matter comes before the Council, but if the Council wishes to amend the proposal it must do so by unanimity. A qualified majority means under the present regime of the Council 41 votes out of 58.

It is, accordingly, only in a very clear case that the Council and the committees are likely to take a position adverse to that of the Commission.

In the past, the Commission has favoured this procedure. Indeed, in the debate in the European Parliament on 26 November 1969, Mr Rey recalled that he had spoken in praise of the procedure of the Management Committees and had just proposed to the Council that this procedure should be prolonged after the end of the transitional period into the definitive period of the Community. Furthermore, on that occasion he indicated the general satisfaction of the Commission with the systems of the Management Committees and the Regulation Committees.

In the light of these preliminary remarks, I would like now to deal more precisely with the questions which have been raised for this debate.

The Treaty gives the Council many legal powers, many of these powers in the executive field. It is entitled to delegate them to the Commission, but it is not obliged to do so. Furthermore, it can delegate these powers on a conditional basis. It is not, therefore, a question of withdrawing from the Commission—as the first question implies—an executive power which the Commission automatically enjoys. The Council, in some instances, has felt obliged to delegate powers to the Commission but such delegation is less than complete. The committees are not given a power of co-decision.

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The decision is taken by the Council, if the procedure reaches that stage. But practice shows that the Commission finds it possible to put forward proposals which, in the great majority of cases, obtain the approval of the committees, or at least — where there is not a majority among the Member States adverse to the Commission—sufficient approval to bring into play the procedure by the Council. Similarly, it seems unreal to suggest that the procedure will encourage national self-interest, since in practice the proposals of the Commission have almost invariably gone through and, in any case, the Council must achieve a qualified majority or even unanimity adverse to the Commission if the view of the Council is to prevail.

Some of the questions which we are debating suggest that the European Parliament should be consulted if the Council is called upon, as in application of these procedures, to take a decision. These procedures are always adopted in fields which are more or less technical. Where there is a difference between the solution preferred by the Commission and another solution which might possibly be favoured by the Council the matter is likely to be even more technical. On the other hand, in some matters, the national services of the Member States are more highly developed in technical fields than those of the Commission. Where a substantial majority of the Member States favours a different solution, the possibility cannot be excluded that the latter solution is, in fact, preferable. The Parliament, therefore, might be in some difficulty in forming a technical judgment on the matter.

Furthermore, this procedure should work promptly and the time-limits are therefore short. The Parliament, very properly, prefers that the Council should not examine a question which the Parliament is itself examining at the same time and the introduction of a formal consultation of the Parliament would render the existing time-limits unworkable.

For these reasons, it seems to the Council still inappropriate to provide for the formal consultation of Parliament in those cases where the Council takes a decision.

The questions which we are debating imply that the procedure of the Management Committees disturbs the institutional balance established by the Treaty.

This can hardly be the case, since the Treaty provides that the Council is entitled to delegate its powers but is not obliged to do so, and in these fields it has, in fact, chosen to delegate them to a large extent but not completely. Your own Legal Affairs Committee, in its report of 30 September 1968, page 44, recognized that the

multiplication of committees is not causing a transfer of powers from the Commission to the Council, since, in accordance with the Treaty, it is the Council which can attribute the exercise of these powers to the Commission. Your committee reached the clear conclusion that the arrangements for the Management Committees are fully compatible with the Treaty.

In addition, since 1969 the Court, in its judgment of 17 December 1970 in the Costa case, fully confirmed that the arrangements for the Management Committees are lawful, and indeed it said expressly that the principles governing the institutional balance between the Council and the Commission were respected in the case under consideration.

One of the questions put by the Honourable Member suggests that there is a contradiction in the Council position in referring to vital interests and implementing provisions of a technical character. It is true that, in the debate in the Parliament in 1969, the Council mentioned that one reason why it might wish to reserve to itself the power to take a decision was that, in certain fields such as public health and public order, competence was divided between the Community and the Member States who had vital interests in these fields. There is no contradiction in its wish to reserve to itself the decision on other rare occasions also, even if the issues may be technical in character. As to the consultation of Parliament, the Council has gone far beyond the requirements of the Treaty in establishing a practice of consultation, but it is doubtful whether the type of question which is an issue in the Committee procedure is wholly suitable for such consultation. The Council would, of course, be willing to answer questions as to the action taken by it in this field and would explain the considerations which it had in mind when taking such action.

One of the questions put suggests that the procedure in the Committees is lacking in transparency, in that it is not clear where responsibility lies for resulting legislation. This accusation, however, does not seem well-founded. On the contrary, the whole system of committees was precisely built on the principle that no legislative action can be taken by the committees. Such action must be taken by either the Council or the Commission. Where the Commission takes action after a favourable opinion of the committee, or if the committee or the Council is unable to take specific action, then normally an act of the Commission is involved, for which it bears responsibility. Similarly, if the Council were to take action, the resulting legislation would be an act of the Council for which it would carry responsibility. In either

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case the actions by the Commission or the Council are transparent. And in any event, the reasons for the actions could be enquired into by the Parliament by means of questions or even a debate such as we are having today.

I believe that I have now dealt with all the elements contained in the questions put to us, but it may be useful, very briefly, to draw some conclusions. In the view of the Council, the procedure through committees has proved most successful. It has enabled the Commission to exercise a wide range of powers in a manner which has not given rise to controversy. Its exercise of these powers has been called in question very rarely indeed by subsequent procedures in the Council, considering the field as a whole. The procedure in the committees is generally favoured by the Commission and has been explicitly approved by the Court in the Costa case, which made it possible to examine this matter. Though the Parliament has not been brought into the procedure in view of the technical character of the question at issue, the procedure in the committees leads normally to a decision taken by the Commission in the overwhelming majority of cases. In exceptional cases it may be taken by the Council. In either case the matter could be discussed in the Parliament on the basis of a question, and the Court has approved the system as consistent with the institutional balance within the Community. I hope that this account of the matter will satisfy the Parliament that the system is not open to the criticisms which are implied in the questions submitted.

President. — I call Mr Patijn.

Mr Patijn. — (NL) Mr President, I thank the President of the Council for the unusually long and very interesting answer which he has given to the question that has been asked. But I feel that the President of the Council will not take it ill of me if, even so, I make one or two very critical comments. And for the following reasons:

I am not talking about the consultation of the European Parliament. I believe, personally at least, that consultation of the Parliament with regard to cases on the agenda of the Management Committees is not the most important point, and I have no intention of taking issue with the President of the Council on it. As a rule, as we all know, they are dealing with implementing provisions with which this European Parliament does not primarily have to concern itself.

The real point at issue is the form of delegation. The President of the Council has dealt in detail

with the report drafted by Jozeau-Marigné at the time and with the judgment in the Costa case. However, we should carefully bear in mind that at the moment there are three different procedures: first, the Agricultural Management Committee (the so-called classical Management Committee) procedure; second, the procedure in which, if no majority is reached in the Management Committees, the case goes to the Council (the technical harmonization procedure); third—and this is really the main issue—the procedure that is used for veterinary harmonization.

I will briefly describe this procedure in order to show where the dilemma lies. According to this procedure, if no majority is reached in the Management Committee, the case goes to the Council and if the Council cannot reach agreement, instead of a decision coming from the Commission in one month, the case comes to nothing. Nothing happens and no decision is taken. In the Costa case, the Court did not give its view of the veterinary procedure. The Court gave its judgment on the classical Management Committee procedure. The so-called veterinary procedure is incompatible with the Treaty, because in it there is reference to delegating to the committee and referring back to the Council and because, with this procedure, no decision is ultimately reached.

Now I have understood that there are people in the Council who would like to introduce this so-called veterinary procedure—incompatible with the Treaty—as a procedure for universal application in relation to the further harmonization of legislation. I wonder whether we really are on the right road in this matter. Once again our Parliament can have no objection to the classical Management Committee procedure and the so-called Regulation Procedure—the Regulation Committees, as Mr Jozeau-Marigné called them in his report. But on the third procedure, through which no decision is arrived at if the Council does not want to conclude the Management Committee procedure with a decision, our Parliament has the strongest reservations.

I am convinced that if the Court had to deliver a judgment on this case it would declare the procedure to be incompatible with the Treaty. I am afraid that we may in the present situation be moving towards this third procedure. I would appreciate it very much if the President of the Council would kindly state that he is not prepared to extend the application of this procedure. It is only to the first two procedures that I have mentioned that we can have no objection, and I hope that the President of the Council agrees with me on this point.

President. — I call Mr Walkhoff.

Mr Walkhoff. — (D) Mr President, after the very important and appropriate comments by Mr Patijn I shall be brief.

Mr President of the Council, at the beginning of your statement you showed in great detail and with the aid of statistics that the committees have very seldom taken negative votes, so that the Council too has rarely had the need to take a decision—a decision, incidentally, which is reached without consulting Parliament.

Now what you have said may well be correct, but it does not impress our committee a great deal, because the fact that what to our mind is a bad system has not yet led to greater problems cannot change our demand for this system to be altered, having regard especially to part 9 of our question, to which you gave only a cursory answer, if indeed you answered it at all. In that part of our question we tried to show how unattractive this Europe is to its citizens and above all to young people if its decision-making machinery is so opaque that nobody knows who is responsible for an important decision.

I was rather disturbed by your suggestion that this Parliament was not in a position to vote on technical issues. You felt this was a reason not to consult Parliament. I wonder how the Council is better qualified to take such a vote? Like the Parliament and the committees, it is quite obviously dependent on an advisory staff of experts.

Mr President of the Council, I am grateful to you for showing once again by your observations how small our powers are in reality—even if you did not say that in so many words. We must certainly bear this in mind in our future political work.

President. — I call Mr Clinton.

Mr Clinton. — Mr President, I have listened with further interest to what has been said, and it is my impression that when the Honourable Members have read carefully the fairly comprehensive reply which I have given they will see that all the questions are in fact answered there. But there are a couple of further matters that I should like to refer to, as exceptions, if I may. The Veterinary Committee is an exception, and it has not been applied on any other subject. In this field, the vital importance of animal health in the various Member Countries has to be taken into consideration. In practice, the system works to the satisfaction of the Commission and the Council. Decisions are taken by one or other of these two institutions, not by the committees themselves. I think that is quite clear.

President. — I call Mr Patijn.

Mr Patijn. — (NL) Mr President, I will not try to draw the President of the Council into a debate on legal technicalities. But naturally the problem is that, with the Veterinary Committee, there is the possibility that no decision is reached. Why? Because, when the Council cannot reach agreement, the case is not automatically settled by the Commission, as is the case with the Management and Regulation Committees. In that case no decision is taken, and the Commission's proposal disappears into one of the Council's drawers to join the 400 other decisions already there. The course of events in the Veterinary Committee procedure is wholly incompatible with the Treaty.

I am glad that the President of the Council calls this an exception. I hope I may deduce from this that the so-called veterinary procedure will never be applied again. But I do not regard the answer of the Council as entirely complete on this point.

I wanted to make this point in addition to what I said when I first spoke.

President. — I call Mr Clinton.

Mr Clinton. — By way of further reply, Mr President, may I say that it is part of the procedure under the Treaties that if proposals of the Commission do not get the required majority no decision is taken. And indeed I have seen many proposals coming from the Commission on which the Council refused to take a decision.

President. — The debate on this item is closed.

7. Oral Questions with debate: The Community's attitude to South Africa

President. — The next item is a joint debate on the Oral Questions put by Mr Glinne, Mr Spenale, Mr Broeks, Mr Dondelinger, Mr Flämig and Mr Seefeld on behalf of the Socialist Group to the Council and Commission respectively of the European Communities (Docs. 421/74 and 422/74).

Apart from references to the Institutions to which the questions are addressed, their wording is identical. It is as follows:

'Subject: The Community's attitude to South Africa

During the UN General Assembly's recent debate on a draft resolution granting the EEC observer status, Mr de Guiringaud, the French Ambassador to the United Nations, replying to a speech by Ambassador Edwin Ogbu, chairman of the UN

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special committee on *apartheid*, made a statement on behalf of the Community on its relations with the Republic of South Africa.

He stressed the Community's full support for the principles of the United Nations Charter, and assured the Assembly that no negotiations had been opened between the EEC and the Republic of South Africa with a view to granting the Pretoria government any trade concessions. He added that the Community authorities have no intention of opening any such negotiations with South Africa. He concluded by affirming that all the Member States have ratified the European Convention on Human Rights, which, he said, goes far beyond the maximum demands made by the opponents of *apartheid*.

Can the Commission, the Council now answer the following questions:

1. Is it true that after and because of Mr de Guiringaud's statement no objection was made in the General Assembly to the resolution granting the EEC observer status and that the EEC was accordingly admitted?
2. Is it true that, on the initiative of the Foreign Minister of a Member State or some other party, the President of the Council and the Commission of the Communities are at present considering whether Mr de Guiringaud overstepped his mandate in making this statement to the UN General Assembly?
3. Can the Commission, the Council confirm that the Community refuses to grant the Republic of South Africa any trade concessions, condemned as these must be, in the form of a special agreement and that it is against the policy of *apartheid*?

I call Mr Glinne to speak to these two questions.

Mr Glinne. — (F) Mr President, dear colleagues, on 11 October last, at its 29th meeting, the General Assembly of the United Nations unanimously adopted a draft resolution granting the European Community observer status.

The request had been made by the Community itself, through the presidency of the Council, at that time exercised by France, and by the Member States. It was Ambassador de Guiringaud, as representative of the country providing the President of the Council of the Community, who proposed the adoption of the draft resolution in which the General Assembly, 'desirous of promoting co-operation between the United Nations Organization and the European Economic Community', asked the Secretary-General to invite the European Economic Community to participate in the meetings and work of the Assembly as an observer, thus allowing it to attend Assembly meetings without the right to speak, but also to take part in committees, conferences or working-parties.

The purpose of the Community as such was to acquire the same observer status at the General Assembly as it has already had for some time in

the Economic and Social Council and in UNCTAD.

In his introductory address, Ambassador de Guiringaud said, among other things, that the signatories to the Rome Treaty had stated that they would comply with the principles of the United Nations Charter. He also referred to the close relations which the Community maintained with many developing countries that were members of the international organization. Ambassador Ogbu, representative for Nigeria and Chairman of the United Nations Special Committee on Apartheid, then made the following statement, reported in the provisional stenographic record of that United Nations meeting: 'As Chairman of the United Nations Special Committee on Apartheid,' he said, 'I have been impressed by the unanimous condemnation of the *apartheid* policy of the Pretoria régime. The vigilance of all Member States to ensure that this Organization is respected is necessary if our resolve is to be transformed into action. In this connection, allow me', he went on, 'to recall Resolution 2927 adopted on 17 November 1972 by the General Assembly. In paragraph 13 of this Resolution, the General Assembly requests Member States of the European Economic Community to take the necessary steps to refuse all trade and other assistance or facilities to the South African Government for as long as the latter persists in its policy of *apartheid* and racial discrimination and continues to flout the resolutions of the General Assembly and of the Security Council.'

Chairman Ogbu continued his address in these words: '... I know that the EEC countries account for about half South Africa's international trade. Seventy five per cent of foreign investment in South Africa comes from EEC countries. I am also given to understand that the South African mission in Brussels has entered into negotiations with the Community, or is on the point of so doing, in order to obtain trade concessions. If this is correct, it would constitute a violation of the obligations of EEC Member States under the terms of the Charter. As loyal members of the United Nations, we cannot approve a situation which would inevitably neutralize the firm position of principle that the Organization has always adopted against the inhuman policy of *apartheid*.

It is therefore relevant, when considering the request that the European Economic Community be granted observer status, to express the hope that the Community will ensure that all United Nations resolutions are strictly observed—I repeat', he said, 'all the resolutions'.

According to the stenographic record, Ambassador de Guiringaud then replied as follows: 'I should like to reassure our friend and colleague

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the Ambassador for Nigeria. Contrary to what he fears, there are no negotiations in progress between the European Community and South Africa. There is no intention on the part of the Community authorities to enter into such negotiations with South Africa. At the present time there is no treaty or agreement of any kind between the European Economic Community and the Republic of South Africa. Conversely, as the representative for Nigeria certainly knows, 18 African countries are already associated with the EEC, and 40 countries in Africa, the Antilles and the Pacific have just begun, at Kingston last July, broad negotiations with the EEC with a view to renewing or initiating their association with this international organization.

'I do not feel that it is necessary to recall', he concluded, 'that all EEC Member States have energetically and on many occasions expressed their opposition to the policy of *apartheid*. I would add that they have all signed and ratified the European Convention for the Protection of Human Rights and Fundamental Freedoms, which goes much further than the extremest demands of the critics of *apartheid*. In these circumstances, I am happy to be able to assure the representative for Nigeria that the EEC and the Nine countries that form it will always have in mind the thought to do nothing which could be of advantage in any way whatsoever to the *apartheid* policy.'

Following this reply by Ambassador de Guiringaud, the General Assembly unanimously adopted the draft resolution granting the EEC observer status, thus conferring a new responsibility upon it which will need to be properly organized with a view to the next meeting of the General Assembly, the 7th special session concerning the economic development of the Third World and the extraordinary meeting of UNDP, all of which are scheduled for 1975.

This having been said, my questions are as follows: certain publications, in particular the London weekly *The Observer*, have reported that, following the exchange between Ambassadors Ogbu and de Guiringaud and in view of the nature of the statement made in the name of the Community by the French Ambassador, at least one Member State and the Commission were considering whether the French Ambassador might not have exceeded his terms of reference by expressing himself in the way he did before the General Assembly. This point it is very important to clarify. Secondly, it would be very important to know whether the terms used by the Ambassador in the name of the whole of the Community are now backed up both by the Council and by the Commission of the Communities.

President. — I call Mr Clinton.

Mr Clinton, *President-in-Office of the Council of the European Communities.* — The reply, Mr President, is in three parts.

The reply to part one is as follows: at the twenty-ninth meeting of the General Assembly of the United Nations, the European Economic Community requested and obtained observer status at the General Assembly. This status was granted in view of the widening of the sphere of common interests of the General Assembly and the Community.

The reply to part two: the statement by Mr de Guiringaud, French Ambassador, speaking on behalf of the Community in reply to a speech by Ambassador Ogbu, Chairman of the United Nations Special Committee on Apartheid, was the subject of prior on-the-spot coordination between the delegations of the Nine in New York in accordance with the usual procedure. In view of the above, question No 2 becomes irrelevant.

The reply to the third part of the question is that the Community has no plans for concluding an agreement with the Republic of South Africa.

President. — I call Sir Christopher Soames.

Sir Christopher Soames, *Vice-President of the Commission of the European Communities.* — Mr President, I really have not got much to add in reply to the question put so succinctly by Mr Glinne.

On the first question, I would just confirm from the Commission's point of view that no objection was raised to the granting of observer status to the EEC and that the related draft resolution was adopted by the United Nations General Assembly unanimously without any formal preconditions.

On the second question, as the President-in-Office of the Council has just said, statements were delivered after consultations in New York with representatives of the Member States and of the Commission. So there is nothing to be added here by the Commission, as what he said was said after consultation.

My answer to the third question is that the Community has no special agreement with South Africa, and where the Commission is concerned we have no such agreement under consideration.

President. — I call Mr Blumenfeld to speak on behalf of the Christian-Democratic Group.

Mr Blumenfeld. — (D) Mr President, I have only a few words to add after both the Council and the Commission have explained the facts.

I think I am speaking for my colleagues as well when I say that Mr Glinne, who, if my information is correct, was present at the UN sitting referred to here, could have ascertained the facts on the spot, and I fail to see why we should be discussing this matter at all today.

Perhaps this is being done to see the matter put on record once again after the UN record already clearly reflects the facts—namely, that the Community's observer status was unanimously agreed, that the French ambassador, Mr de Guiringaud, spoke for the Community and that in reality there are no relations whatever of economic or commercial policy between the Community and the South African Republic.

Mr President, I asked to speak on behalf of my colleagues to make the following point.

It seems to me not entirely without risk—I am saying this for the benefit of Mr Glinne and his friends—for us in this Parliament to be once again levelling accusations against a particular government in the situation which has been developing over the past few months in the South of the African continent, with that government making real attempts to improve its relations with neighbouring states and in bilateral talks with its neighbour in the north, Rhodesia, to move towards a solution of the difficult political problems connected with *apartheid*, elections and the black majority. You have elegantly circumvented the real issue, Mr Glinne, but in reality your political intention is clear. No member of this House—Mr Clinton, the Council's representative has just pointed this out—has ever spoken in favour of an *apartheid* policy. On the contrary, as signatories of the conventions on human rights and as persons familiar with the situation in South Africa and elsewhere, we are formally and politically opposed to this *apartheid* policy. However, we should not make matters still more difficult for a government which is trying to find a peaceful and long-term solution to all the historical developments that have taken place over a period of centuries.

Now that your question has been answered, Mr Glinne, I think we should do well to leave it at that and not engage in further polemics.

President. — I call Mrs Goutmann to speak on behalf of the Communist and Allies Group.

Mrs Goutmann. — (F) Mr President, I should simply like to say, on behalf of our group, how much we share the anxieties and concerns of

our colleague Mr Glinne with regard to the statements made by Mr de Guiringaud.

We, too, wished to have further information from the Council and the Commission. We are left, however, with our anxieties and concerns, since, in this Assembly, we have a duty to condemn with the utmost vigour anything that might tend to give recognition to the policy of *apartheid*.

President. — I call Mr Glinne.

Mr Glinne. — (F) M President, I wish to point out that I was not present at the General Assembly of the United Nations when the debate in question was in progress.

Everyone will agree that the information given out by such responsible publications as *The Observer* was likely to create some anxiety.

I would recall, Mr President, that in little more than a week's time certain Members of this Assembly will be taking part in a meeting of the Joint Committee at Abidjan and then of the Parliamentary Conference of the EEC/AASM Association, now about to be enlarged to include the ACP countries.

I can well imagine the difficult position in which we might have been placed if the, fortunately incorrect, press information had not been specifically denied, this afternoon, by both the Council and the Commission.

I shall confine myself, at the close of this discussion, to saying in the name of my group that we are very grateful for the rectifying statements that have just been made by the Commission and the Council.

President. — I have no motion for a resolution on this debate.

The debate on this item is closed.

8. Oral Question with debate: Code of conduct for maritime transport conferences

President. — The next item is the Oral Question, with debate, put by Mr Seefeld on behalf of the Committee on Regional Policy and Transport to the Council of the European Communities (Doc. 418/74).

The question is worded as follows:

'Subject: Code of conduct for maritime transport conferences

1. Can the Council confirm that on 15 July 1974 the Commission of the European Communities submitted to the Council a proposal for a Council decision on a common approach by

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the Member States to the United Nations agreement on the introduction of a code of conduct for maritime transport conferences?

If so, will the Council consult the European Parliament on this important question as soon as possible in view of the short time available?

2. Does the Council agree that the question as to whether or not the Member States participate in this agreement is of great importance for maritime transport and the whole external economic policy of the Member States and the Community?
3. Does the Council agree that—since it is a most unfavourable reflection on the Community that in the vote on the text of the agreement in Geneva, three Member States voted in favour and two against, while two countries abstained—in order to avoid a situation of this kind in the future, the Commission should be authorized, in partial application of Article 84(2) and without prejudice to other measures which are already possible under Article 116 of other general provisions of the EEC Treaty to draw up proposals for the introduction of a common maritime transport policy and to ensure that Member States adopt a common position at international conferences of this nature?
4. Does the Council consider that parts of the Agreement conflict with the Treaty of Rome?
5. Does the Council agree that on the basis of the EEC Treaty, particularly Article 113, the Agreement should have been negotiated by the Commission and not by the Member States?

I call Mr Seefeld to speak to this question.

Mr Seefeld. — (D) Mr President, ladies and gentlemen, in the matter of the code of conduct for shipping-lines, an extremely important aspect of shipping policy, the position is becoming so difficult that the whole question should be laid before the Council of Ministers; that, at least, is the opinion of the Committee on Regional Policy and Transport, and I have the honour to present these five questions on its behalf.

Ladies and gentlemen, if I may repeat the facts which are already well known, a United Nations conference in the framework of UNCTAD has drawn up a convention containing a 'code of conduct for shipping-lines.' This convention was signed on 6 April last year and laid open for signature by further countries until 1 July 1975. Of the nine Community countries, 3 voted for the code at the conference, 2 voted against, 2 abstained and 2 were not represented. The Commission was only present with observer status.

Mr President, the code contains agreements such as the following, which I shall outline very briefly:

Firstly: shipping-lines of a country covered by a conference should have the inalienable right to join the conference.

Secondly: the traffic of each country should be divided in such a way that shipping-lines in the country of origin obtain 40 % of the total trade, shipping-lines in the country of destination 40 % and shipping-lines of third countries—the cross-trade—20 %.

Thirdly: the conference councils should be public and certain deadlines laid down for possible changes.

Fourthly: there should be a compulsory procedure for consultation between the conferences and the shippers with provision for government representation.

Fifthly: a compulsory court of arbitration procedure should be introduced.

Those are the basic provisions.

Some of them involve far-reaching innovations which may be claimed in some quarters to limit the freedom of the seas. Other observers consider them to represent necessary progress to take the edge off competition in shipping. Be that as it may, it should be a matter of concern to the Community that it gave the impression of the greatest possible disunity at the international conference in Geneva.

The Commission rightly made an attempt afterwards to close the gap by submitting to the Council a proposal for the introduction of a procedure aimed at either ratification or rejection of the code by all the Community countries. Unfortunately, the Council of Ministers has not yet consulted Parliament on this proposal.

It is being falsely maintained that these are purely procedural questions on which there is little to say politically. I believe, on the contrary, that this matter is extremely political and it also touches on the rights of our Parliament. So far the Council has always consulted Parliament even when this was not stipulated in the Treaties; it has always consulted Parliament on matters such as this. And in this instance we are concerned with nothing less than the beginnings of a common shipping policy, which has frequently been discussed in this House although opinions on the subject differ.

The Commission has now received an opinion from its legal services to the effect that the UNCTAD code conflicts with the Treaty of Rome. The Commission should therefore notify all the Member States that ratification cannot be reconciled with the rules of the Community.

The Commission's legal services have also stressed that the 40-40-20 rule, which I explained above, infringes the freedom to provide services and that this arrangement might cause discrimi-

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nation. They apparently also stated that the conference agreements might entail a prohibited exploitation of a dominant market position and that the rules laid down in the convention might favour national shipping-lines; finally, they noted that on the basis of Article 113 of the Treaty the Commission and not the individual Member States should have negotiated the convention.

The latter conclusion is clearly the most sensational. If the Commission accepts this legal opinion, we can expect further proceedings before the Court of Justice as in the case of the AETR and the regulation on social provisions in road transport.

For all these reasons it would be desirable to discuss this matter with the Council. If the European Community is unable to coordinate the position of its Member States on the question of the UNCTAD shipping code, it will once again be leaving the initiative to others whose interests may be opposed to our own. The result will be that the UNCTAD code will be adopted by a majority in the United Nations including the state-trading countries, which themselves have no interest in the smooth working of the conference system. In almost all cases their state shipping-lines are outsiders, and they do not belong to the conferences. Their sole interest in the UNCTAD code is that they can use it to stabilize the shipping-line tariffs at the highest possible level and then undercut these rates all the more easily.

Mr President, ladies and gentlemen, all organizations recognize the importance of the UNCTAD code for shipping policy in general. The Council of Europe is looking into it and the OECD is examining whether this code does not conflict with the OECD's own liberalization code. I have received lengthy opinions published or prepared by many different bodies, including the European Industrial Association, the Committee of European Shipowners, the German Chamber of Industry and Commerce and several others.

All this goes to show that we are not concerned here with a question of procedure or principle but—this cannot be emphasized strongly enough—with an important decision which will affect the whole future of our shipping policy and external trade policy. This also makes it necessary for the Council of Ministers to consult the European Parliament on the Commission's proposal to consider not only the procedural aspect but subsequently also the material provisions of the code itself.

The report of the Committee on Regional Policy and Transport which I presented here in

December 1974 was admittedly, as you will recall, rejected by a chance majority during a night sitting. But even the speakers who on that occasion were opposed to the shipping report, in particular Mr Normanton, did not base their opposition on the assumption that matters of shipping policy were of no importance to the Community; on the contrary, Mr Normanton spoke of the 'tremendous importance' of this matter.

I should like to draw attention to another point which confirms how transport questions are apparently often dealt with out of their context of general economic and external trade policy. How was it possible on 11 December 1974, one day before our debate on shipping policy in this House, for Mr Destremau, replying as President of the Council to the urgent question put by Mr Terrenoire whether the Member States daily coordinated their positions at the UN and UNESCO, to say—and I quote literally: 'I can confirm what Mr Terrenoire has just said.' Perhaps Mr Destremau had not looked closely at Parliament's agenda, otherwise he would have made an exception in respect of the UNCTAD conference in Geneva. Or does the Council President's confirmation simply mean that the Member States meet to discuss the possibility of a common position without any obligation and that in the event of failure to agree no further efforts are made to achieve a compromise by negotiating in the Council or involving the Commission? Mr President, for all these reasons the Committee on Regional Policy and Transport decided to put questions to the Council and to request clarification. The Parliament and the sectors of the public concerned in this matter await with great interest what the Council of Ministers will have to say today.

President. — I call Mr Clinton.

Mr Clinton, President-in-Office of the Council of the European Communities. — Mr President, in reply to part 1 of the question, the Council confirms that in a letter dated 17 July 1974 the Commission submitted to it a proposal for a Council decision on joint action by the Member States on the United Nations Convention laying down a code of conduct for shipping conferences. This proposal for a decision was simply a procedural one, calling upon Member States not to take up a stand on the draft convention until the Council had been able to take a position on joint action. In view of the nature of the proposal the Council did not feel obliged to consult the European Parliament.

In reply to parts 2 to 5 of the question, the Member States have already agreed to apply the

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proposed standstill until 30 April 1975. The Commission has begun discussions with national experts to examine the compatibility of the code with Community law and to discuss the measures required for possible joint action. The Council will continue its work in this matter in the light of the substantive proposal which the Commission, as it announced in Article 1 of its proposal of 17 July 1974, intends to prepare. In these circumstances the Council is unable to take a position on the specific question put by the Honourable Member.

President. — I call Mr Nyborg to speak on behalf of the Group of European Progressive Democrats.

Mr Nyborg. — (DK) Mr President, Honourable Members, I should like to say first of all how pleased I was to hear the Council's reply to Mr Seefeld. I think it is completely in keeping with our attitude to the whole question. At the last plenary sitting, we discussed Mr Seefeld's report on the introduction of a maritime transport policy. It was voted down and rejected, and now it has crept in again by the back door, which seems somewhat in contempt of Parliament. It has cropped up again in point 3, and I quote: 'Does the Council agree that... in order to avoid a situation of this kind... the Commission should be authorized... to draw up proposals for the introduction of a common maritime transport policy and to ensure that Member States adopt a common position...

All I can say is that, if the questioner wanted to provide incentives for the United Kingdom's withdrawal from the EEC—and I can scarcely believe that—then in my opinion he has been completely successful, since this is something that is directly and completely contrary to United Kingdom interests. The British people will have less interest in remaining a member if these ideas receive too much support.

I shall not go into this subject in greater detail.

President. — I call Mr Hill to speak on behalf of the European Conservative Group.

Mr Hill. — Mr President, Mr Nyborg has said that this is coming in through the back door. I do know how disappointed Mr Seefeld was when his report was voted down, but I must confirm that this Oral Question was drawn up before that date and therefore it is a continuing process of thought on the part of Mr Seefeld.

There are grave doubts about this subject, certainly in the United Kingdom and in Denmark. We have not unfortunately here today a

member of the Conservative Party of Denmark, but I do have a brief from their party, and they confirm some of the fears that the Chamber of Shipping of the United Kingdom also has. The UNCTAD code which is being quoted contained an agreement which gives, as Mr Seefeld said, 40 per cent to the importing country, 40 per cent to the exporting country and only 20 per cent to third countries. The voting, and I must emphasize this, was not quite as barren as Mr Seefeld maintains. Denmark, Britain, Norway, Sweden, Finland, the United States of America and Switzerland voted against this arrangement, whereas Holland and Italy abstained and the other countries that voted for include Germany, France and Belgium. So the split is fairly deep.

The Danish shipping interests are afraid that they will lose a great deal of trade on their lines service. They say in this memorandum that the implementation of the code could mean a loss to them of about 80 million pounds sterling. They also say that a series of other provisions in the code are equally damaging, for example the provision that there will be at least 15 months between each increase, whereas the rule today is only a 3-month gap between price increases. In times of severe inflation, would it be right and proper to hold back the increase in freight rates for 15 months? The Council has stated that the Member States have agreed to a standstill, and the Council has also said it is unable to take up a position in this matter.

I think this sums up the uncertainty in most people's minds at this time of great stress in the Community when, as Mr Nyborg has said, the United Kingdom is about to face a referendum. We are a seafaring nation. We live by freight. Certainly at this time there would be many unhappy faces in the British shipping industry if the Council rushed ahead to implement Article 84 (2), whether as a whole or in part. Mr Seefeld wishes to make progress in the sea transport field and in the future I certainly see that this is an area where we can make progress, where we can have a common policy. However, although Mr Seefeld's motives are commendable, I feel that the introduction now of a common shipping policy is neither practical nor economically viable and, speaking on behalf of the United Kingdom and Danish shipping industries, I think that it may prove a source of irritation far outweighing the advantages that could possibly come from Mr Seefeld's good intentions.

(Applause)

President. — I call Mr Scholten to speak on behalf of the Christian-Democratic Group.

Mr Scholten. — (NL) Mr President, in connection with this oral question I should like to make one or two comments on behalf of my group, because in the opinion of my group we have here a particularly important subject on the agenda.

The whole question of maritime transport policy is bound up with the question that Mr Seefeld has raised. The UNCTAD code—Mr Hill has just referred to this point—has led to considerable differences of opinion not only within the Community but also in a large number of countries for whom maritime transport is important. For myself I have to observe that, because of its discriminatory character, the UNCTAD code is incompatible with the objectives of the Treaty—namely, the free movement of goods, services, people and capital. If this code of conduct were to materialize in its present form, then in practice it would have a distinctly adverse effect on the rationalization now in progress in maritime transport. This adverse effect comes out even stronger if we consider the integration that is now developing in transport systems. For this reason, in my opinion, it is of the utmost importance that the Community should now take up a Community standpoint with regard to the UNCTAD code.

I should now like to dip into the past and ask why this was not the case at the talks in Geneva or why initiatives wrongly failed to be taken in order to arrive at such a Community standpoint. I merely observe that this great difference in opinion exists. With an eye to the future, I would point out that it is of the greatest importance that we should endeavour to bring opposing views in the Community together. If we cannot do this—if, for example, one or two Community countries put their separate signatures to this UNCTAD code—then we can, in my opinion, give up all thought of a Community maritime transport policy in the short term. This would be a very unsatisfactory development for the overall objectives of our Community. Precisely in order to be able to honour the gentleman's agreement we have apparently reached not to take a separate stand on this question, it is of the utmost importance that we should make haste with our efforts to reach a common position. I understood that the proposal the Commission made last summer was rejected in a certain sense by the Council. I would call urgently, primarily on the Commission but also on the Council, to come forward with new proposals as quickly as possible.

I repeat with the greatest emphasis that the positions must come closer together. If the great importance of this UNCTAD code for individual Member States is not recognized, then there

is a particularly bad development in store for us which will have a negative effect on economic policy throughout the Community. For this reason, on behalf of my group, I wished to stress the importance of this problem and request that the position, which I hope would be a common one, should be taken as quickly as possible.

President. — I call Mr Seefeld.

Mr Seefeld. — (D) Ladies and gentlemen, I am grateful to the Council President for his reply. I am also grateful to those colleagues who have stated their views on this matter. Fortunately, every Member of this Parliament is entitled to show in the debates his understanding, or lack of understanding, of technical matters. Everyone has the right to say what he chooses; Mr Nyborg has used that right and I note the fact.

Let me say categorically that I am not minded to insist on matters which this Parliament has rejected. I am putting for the second time the clear decision of a committee, and I note with interest that there are committee members who forget in the plenary sitting what they have decided elsewhere. They no longer know in Luxembourg what was agreed in Brussels. If a member is absent on a particular occasion he should read the minutes. In other words, there is no question of an attempt to bring in by the back door a report which has already been rejected. Perhaps the colleague in question who suggested that failed to understand or could not understand — I cannot judge which — that we are concerned now with an entirely different issue. The question on this occasion is whether the shipping code of a United Nations agency infringes the Rome Treaties. The Commission suggested that it might. We discussed the matter in committee, and I was asked to put this question on behalf of the committee. Please do not pretend that this is a pet subject of mine and that I wish to insist on matters which Parliament does not want. Ladies and gentlemen, the importance of this matter was underlined today by the Council representative when he said that a standstill was being applied, and I have recently learned that Commission representatives and government experts from the Member States will already be meeting in Brussels on 17 January to look into the question whether the code is compatible with the Rome Treaty. This amounts to more than the application of a shipping policy.

Mr President, ladies and gentlemen, I felt it important to make these additional observations. I shall discuss with the committee and any other interested Members whether the respons-

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ible committees of the European Parliament should look further at this problem. I should also appreciate it if the Commission and Council would keep us informed of the progress of their talks.

President. — I call Mr Normanton.

Mr Normanton. — Mr President, I am grateful to you for allowing me to catch your eye, but I must confess I am a little regretful that I was not able to speak before Mr Seefeld, because then it might have given him an opportunity to reply to one or two points which I wanted to make and which I hope will be a contribution to the debate we are having this afternoon.

First of all, I must say that I am grateful to Mr Hill and indeed to Mr Scholten for the way in which they have, each in his own way, made a quick thumbnail appreciation of some of the factors to which Mr Seefeld referred in opening this debate. But, bearing in mind that Mr Seefeld referred specifically to me, I do feel it incumbent upon this House to get the record straight and not to leave it in the form in which Mr Seefeld presented it in his opening remarks.

The purpose of the steps that I took in this Parliament in December was not for his report to be rejected, but to be given added depth, added significance by consideration by the Committee on Economic and Monetary Affairs. The more I hear about this subject by those who, on the one hand, are anxious to meet the request of UNCTAD and those who, on the other hand, have perhaps an equally urgent desire to meet the important interests of shipping from Member States, the more convinced I am of the merit of the proposal which I put to this House. Unfortunately and deeply regrettably, it was the intransigence of one of his colleagues in the Socialist Group which left no alternative, no possibility whatever of having a further comprehensive discussion on this important subject. We in the European Conservative Group and one or two of my other colleagues had no alternative but to take steps to reject this particular report.

I am grateful to Mr Seefeld for adopting any means of raising again the importance of considering UNCTAD and the economic interests of the Community in the fullest possible depth and in a spirit of constructive criticism. I do not feel that this is an occasion on which this House would wish me or indeed other Members in this chamber to indulge in a deeply involved debate of this whole subject; but I would earnestly draw the attention of the House to the fact that UNCTAD has not had the reputation of being totally objective in all the decisions and recommendations which it has made. And I

would quote as evidence the cotton industry of the developed world. The most irresponsible views have been put forward in UNCTAD on future trade in cotton textiles. If those policies had been adopted; the outcome would have been the death knell for a major industry of the Community. That should be neither the wish nor the intention of Mr Seefeld or any other of the Honourable Members in this House.

What he wants and what we all want in this Parliament is to see negotiations undertaken in depth, in the deepest and firm conviction that in the end the best interests of the world will be served by expanding, and developing trade, and it is in that spirit that I earnestly pleaded to this House to refer back the Seefeld report for deeper consideration. I hope Mr Seefeld will accept that these are the facts and that was the spirit in which I made that plea. I earnestly hope that it will be the common wish of all the Members of this House to see the Council and the Commission go into, in the greatest possible depth, the economic implications of the particular proposals to which Mr Seefeld devoted so much time. I hope his efforts will not have been in vain. It would be disastrous to him, his interests and the community at large, were the economic consequences to be ignored before final political decisions were taken.

(Applause)

President. — I call Mr Lange.

Mr Lange. — (D) Mr President, ladies and gentlemen, I would urge Members to note that we are not here to discuss a report which was rejected in December...

Mr Seefeld. — (D) Quite right!

Mr Lange. — (D) We are looking into questions put on behalf of the Committee on Regional Policy and Transport concerning the UNCTAD code of conduct and the behaviour of the Member States and the Community during this conference in Geneva last spring.

I shall not comment on the matter at issue, but would ask my colleagues to keep these two subjects separate and not attribute to the rapporteur and the spokesman for the Committee on Regional Policy and Transport intentions which they do not in fact have.

Secondly, I wanted to inform the House that without special instructions from the Bureau—in other words at the initiative of the committee itself—the Committee on Economic and Monetary Affairs began to consider at its sitting last week the economic aspect of this mat-

Lange

ter and the UNCTAD code for shipping conferences. It will continue to do so, thus complying with the intention indicated by Mr Seefeld, as author of the question on behalf of the Committee on Regional Policy and Transport, of enabling the committees concerned to participate in the discussion. This seems necessary in part to avoid a repetition in future of difficulties of the kind which arose when the rejected report was debated.

I wanted to make these observations, Mr President, and I would repeat my request not to confuse the two issues. I say quite categorically that there is no connection between them, and to suggest that there is implies attributing motives to Members of this House which none of them has.

(Applause)

President. — The debate on this item is closed.

9. *Oral Question with debate: Status of women*

President. — The next item is the Oral Question, with debate, put by Mrs Carettoni Romagnoli, Mrs Goutmann and Mrs Iotti on behalf of the Communist and Allies Group to the Council of the European Communities (Doc. 420/74).

The question is worded as follows:

'Subject: The status of women

1. Could the Council state when the proposal for a directive on equal pay for men and women approved by the European Parliament in April 1974¹ will be put on the agenda of the Council for adoption?
2. What stage has been reached in preparatory work on the directive on the removal of discrimination against women with regard to job openings and professional qualifications?
3. What proposals does the Council wish the Commission to make in the near future to prevent the slow-down in economic growth now affecting the Community from adversely affecting working women?
4. In more general terms, what is the Council's view of the status of women in the Community?

I call Mrs Carettoni Romagnoli to speak to this question.

Mrs Carettoni Romagnoli. — (I) Mr President, I think I can say that all parliamentarians sitting in this Chamber, regardless of their political position, hope with all their heart that, at the opening of this year, which the UN has called 'International Woman's Year', the Com-

mission and the Council can give satisfactory replies to our question.

In actual fact, apart from the first two questions, which are awaiting detailed replies, the major problem facing all of us is how to cope in times of crisis with the difficulties that are proportionally greater for women workers.

We remember in Italy that, at the first signs of the recession in 1964, a number of women working in industry were immediately sent home. I will say more: these women made no attempt to register as unemployed, but resigned themselves to resuming their rôle of housewife.

Statistics for the past few months show that in Belgium unemployment, which is fortunately still moderate in that country, has affected women three times as badly as men.

It is therefore true that recession, unemployment and economic difficulties hit women far more badly than men. Moreover, at the tripartite conference held by the Trade Union Confederations on 16 December in Brussels, it was stressed that up to now the categories worst hit by unemployment are—in this order—women, young people, old people.

This worries us greatly, since we know that these primarily economic problems have considerable repercussions on the situation of women with regard to civil rights, in view of the fact that the relation between employment and women's rights is extremely close. Incidentally, we have noted in our experience that unwritten and written law tends to evolve rapidly in times of economic expansion and, conversely, to slow down when the economic situation is less favourable.

Today—particularly in Europe, but in general in all countries—we are witnessing a great surge forward on the part of the women's masses. Awareness of women's problems is now fully grown in public opinion; in recent times, very large numbers of women have taken part in employment struggles and in trades union struggles in general. We have—a new phenomenon—seen women employed in specific negotiations on matters of especial concern to them. I remember, by way of example, the full-scale battle for day-nurseries in Italy and the struggle now going on in my country for a new family code.

Throughout the world we are witnessing the formation of a whole series of feminist movements. One may agree, or not, with this way of presenting problems (personally I have my reservations), but all this is evidence that a new awareness is taking shape.

¹ OJ No C 55 of 13. 5. 1974, p. 43.

Carettoni Romagnoli

In recent times, we have seen important changes in the legislation of various countries. There is, for example, the introduction of divorce and the reform of family law that is reaching its final stages in my country and the legislation on abortion in France. And yet we think that today there is a danger of a serious conflict between this desire for equal rights for women, and the present downward trend. We therefore ask that, at least in the countries of the Community, this problem should not be considered as secondary or separate but that it should be realized—and here I address my remarks particularly to the Commission and the Council—that the problem constitutes a specific and highly important component of the economic and civil development of society, falling within the general framework of the analysis of the crisis and the remedies to be applied.

Commission and Council should stop making statements of principle, which have always been fruitless and which today would be completely futile, not to say mere rhetoric. For Woman's Year the Community can do much, even though restricted to certain limits. Within these limits it can do something—which the treaty requires it should—regarding the problem of equality of pay. In our opinion, the Community can later act at the social level, framing the programmes it has in progress with this in mind and promoting the upward levelling of civil rights.

It is often said that, in this field, the Commission cannot plan its activity in advance. We say, on the contrary, that a forward and upward push is possible; it is not true that the Commission should not interfere in legislative problems regarding women's civil rights. For example, is it possible to want to uphold what is unquestionably a feature of the Community—namely, free circulation of manpower—without realizing that in this sector there are certain things clashing with, and making particularly difficult, the feasibility in practice of the principle of free circulation?

Recently, in Italy, the principle of changing nationality on marriage, about which we have spoken on so many occasions, was abolished. Vice-President Behrendt has dealt with the problem of women's nationality and will well remember, for example, how the absence of divorce in our country unquestionably created an obstacle to this harmonized picture of the Community.

In the case of the free circulation of manpower something can be done, as a contribution to Woman's Year, about the task assumed by the Community of improving the quality of life for citizens of both sexes. We should therefore like

to know what steps are proposed by the Community to mark this Woman's Year.

My last duty is to point out—and this morning we had a very interesting meeting with women members of the European Parliament's staff in the presence of practically all the Members of this Parliament—the need to initiate serious discussions on women's status in the Community institutions. It would indeed be strange that discrimination should continue to be practised in the Community institutions, which should be the most progressive in this field. But on this subject, with your permission Mr President, I shall dwell more fully on another occasion. *(Applause)*

President. — I call Mr Clinton.

Mr Clinton, President-in-Office of the Council of the European Communities. — Mr President, in reply to the first question, may I remind you that the Council recorded its agreement on the proposal for a directive on equal pay for men and women at its meeting of 17 December 1974.

In answer to the second question, Honourable Members should note that a proposal for a directive on the elimination of discrimination against women as regards access to employment and vocational training has not yet been placed before the Council.

In reply to questions 3 and 4, the Council does not intend to interfere with the right of initiative granted to the Commission under the Treaty. The Council points out, however, that it adopted general guidelines on the status of women in the resolution of 21 January 1974 concerning a Social Action Programme. The resolution sets out the need to undertake action for the purpose of achieving equality between men and women as regards access to employment and vocational training and advancement and as regards working conditions, including pay, taking into account the important role of management and labour in this field. It is for the Commission to submit the necessary proposals to the Council for the implementation of these guide-lines.

President. — I call Mr Glinne to speak on behalf of the Socialist Group.

Mr Glinne. — *(F)* Mr President, the problem raised by the oral question is too important to be left solely to our lady colleagues, and since the Council of Ministers of Social Affairs was presented on 17 December with a directive on equal pay, I think this is the right moment to put a certain number of questions on this subject.

Glinne

Firstly, is it clearly understood that the principle implied by Article 119 of the Treaty is binding in character? If I am correctly informed, it appears that some Member States of our Community consider that this is not so, even on the expiry of the transitional period, and that, therefore, the effective introduction of equal pay for men and women could only be the result of a new action to be undertaken under Article 235. This view of the situation appears to me to be particularly incorrect.

Secondly, the text concerning equal pay has not yet been drafted in its final form. I am assured that the services involved still have to finalize various legal wordings. When is it likely that the text will be really and truly finalized?

A further point, Mr President: the possibility of a supervisory body has not, it appears, been foreseen at the level of the preparation of the collective agreements; but it is precisely there, in my view, that the most important point is centred.

Lastly, there are certainly grounds for satisfaction that the principle of equal pay for men and women should be recognized for work of equal value, since this even goes a little further than Article 119 in that it refers to equal value, but there must be some regret that no penalties would appear to have been provided.

I will conclude by expressing, on behalf of my group, the sincere hope that the second draft directive regarding equal conditions of work, and not just pay, will be confirmed, as quickly as possible, by a positive decision both by the Council and by the Commission.

President. — I call Lady Elles to speak on behalf of the European Conservative Group.

Lady Elles. — Mr President, many Members who were here this morning and indeed many more than those who are here this afternoon will no doubt recall the words of the President of the Council when he answered a Parliamentary question.

He said that the Council of Ministers of the Member States attaches great importance to human rights. It must be said therefore to the President of the Council that at this morning's session, perhaps slightly more attention was paid to the fate, undoubtedly a very real fate, of the Jewish community in Syria than to 125 million members of the European Community. And since this question has been put today, and we are extremely grateful to Mrs Carettoni Romagnoli and her colleagues for putting it, it is of course to the President of

the Council, through you, Mr President, that I should like to make one or two remarks. Now it happens coincidentally that it is United Nations International Woman's Year, which gives us for once the opportunity to remind the President that one of the fundamental freedoms and human rights enshrined in the Universal Declaration of Human Rights in Article 2, which entitles all, without any discrimination, *inter alia* of sex, to all human rights and fundamental freedoms. Members of this Parliament of all parties who always claim to be strong devotees of human rights should perhaps also be reminded of the Declaration on the Elimination of Discrimination against Women, which was proclaimed by the General Assembly of the United Nations, at which, of course, all Member States here represented are also represented. This declaration was proclaimed in 1967. So far, many of its provisions have not only been not implemented but, indeed, have been completely ignored. And to continue one item—as far as the legal aspect of this question is concerned—today's copy of the *London Times* (I quote Professor Mitchell who is a very distinguished academic lawyer on Community law) states quite clearly: 'It would be worth noting that, as a result of the Knowld judgment, for the first time a generalized concept of fundamental rights becomes enforceable in our courts as part of European law'.

I hope that the President of the Council and his colleagues on the Council with their great devotion to human rights will take note of this comment. Now I know, Mr President, that no one is a successful advocate in his own cause, and I do not claim in any way to be discriminated against, but nevertheless there are millions of people in this Community who are discriminated against and, as Mrs Carettoni Romagnoli quite rightly mentioned, even of the 649 women who work in the European Parliament's institutions, out of 1 240, many have very legitimate grievances which do not seem to have been looked into. I think we should be reminded of an old Italian adage which says, *L'amore viene dall'utile*, which means that if you're useful, you're O.K. So I would draw attention to one or two facts which I hope the President-in-Office will take note of and on which he will urge his colleagues on the Council therefore to take action.

Reference was made in his reply to the Social Action Programme. Now this was presented, as I understand it according to the document before me, on 25 October 1973. And it refers to lack of career guidance and vocational training, frequent discrimination in conditions of recruitment, interrupted career patterns, etc., etc. I am sure all those interested in this will have this

Lady Elles

document. And yet a considerable number of these matters do not happen to have been dealt with at all. It even mentions the formation of a permanent working group to help the Commission to study problems, and apparently that has not yet been set up. Interestingly enough, the Council also agreed to this programme, which says that proposals will be discussed with the Standing Committee on Employment. Does that committee in fact ever meet? We must know that this does in fact happen. Even in the Department of Employment of my own country—the significantly enough, I suppose one must say—manpower report, paper No 11, says that women are grossly under-employed and do not have the opportunities for which they are obviously fitted. So I think it is not necessarily because of being any more incompetent, inefficient, idle or negligent than our fellow human beings, that we have not got further than we have.

I would, Mr President, like to draw attention very briefly to the following points.

First, political. In the Institutions of the Community, we do not see a woman member of the Council of Ministers—in fact, as far as I know there has not been one since 1957; there are no women commissioners on the Commission of the European Communities; there are no women vice-presidents of the European Parliament—of course none of us would aspire to the dizzy heights of being President, but there is not even a woman vice-president; there are to my knowledge no women directors-general in the Commission; and so on and so forth. Indeed, I think it would horrify some Members of this Parliament if I were to cite somebody who was at this meeting this morning, who is one of our most helpful people, who helps our travel and who is still in the same grade after eight years' devoted service and dedication to her work. And I can only say, Mr President, that in this age of so-called anti-discrimination and the fight for human rights, it is a disgrace to the European Community.

Secondly, as far as the legal position is concerned, there is still gross discrimination with regard to taxation. Married women are taxed with their husbands in practically every Member State, causing great unfairness and social injustice. The laws on nationality, I would remind Members of the Council, who after all as representatives of their governments have ratified the UN Convention on the Nationality of Married Women, have not in fact been implemented by some of the Member States in some of the provisions to which they have put their signature. And there is discrimination where a woman national who marries a man of another

state has to lose, automatically, her nationality and so loses her chance of having any indemnity for working outside her own country. That again refers in specific cases to people who are employed within the Commission; I am not talking even of the thousands of cases which affect people who are not employed by the Community institutions.

There are a good many other things that need to be said. I hope the President-in-Office of the Council will take the points I have made into account and will see that women in the future take part in shaping the future of this Community, because all the economic and financial decisions that are made in this Community affect women just as much as they do men.

(Applause)

President. — I call Mr Rivierez to speak on behalf of the Group of European Progressive Democrats.

Mr Rivierez. — *(F)* Mr President, after hearing Lady Elles, I realize that a Frenchwoman is spoiled because she has complete freedom as regards contraception and, since yesterday, abortion, and also, as far as the family is concerned, she shares parental control with her husband; in addition, when she marries she can keep her French nationality, if she so wishes, or take the nationality of her husband. I also know that as far as children born out of marriage are concerned, a Frenchwoman has parental control; and for some time now she may, if she wishes, enter national service: she can become a superintendent of police or a sub-prefect, and as a result we see her everywhere.

I would add that she can be a minister, for we even have a minister in the person of Madame Françoise Giroud, responsible, as is only right, for the situation of women.

But I must return to the question that has been very rightly put by Mrs Carettoni Romagnoli and see whether the replies given by the Council satisfy us.

With regard to the directive, this has been accepted in principle by the Council, but only after the latter had waited more than 16 years. We regret that the terms themselves of this directive have not been accepted and that it has not yet been communicated to Member States.

With regard to the other questions, it appears that they ought to have been addressed to the Commission rather than to the Council. Allow me to put forward some ideas regarding the second question, concerning access to employment and vocational training. This is a very

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big question. It would have been nice to hear from the Commission in default of the Council what progress had been made with the work designed precisely to ensure this access to employment and vocational training. The point is that this question links up with that of discrimination in pay. The problem, incidentally, was raised by Lady Elles, among others, during the debates of 25 April 1974, and it will do no harm to raise it again.

Freedom of access should be declared for all kinds of work in the public service except those calling for physical effort that women cannot make and those which expose the life of the worker to danger, for it is easy to declare freedom of access to the public service and then restrict it. The French ordinance of 4 February 1959 on the public service, for example, proclaims this liberty of access subject to special measures laid down in specific statutes and dictated by the nature of the tasks involved. With exceptions like these, the door to certain types of work can be closed to women; and this is why a definition has to be found which leaves the door wide open. The same rule should, of course, be brought in for the private sector.

It is clear, however, that women cannot do all types of work: there are some from which they are barred by the provisions of the ILO, including those entailing night work. A solution will have to be found to this problem.

A difficult problem that has not been raised is that of women's access to posts carrying responsibility, the senior managerial posts which seem to be a male monopoly. Of course, there is no question of imposing any limits on the numbers of women: here again we are up against a vocational training problem.

In truth it is easy to declare that women shall have free access to all professions, with certain specific exceptions. But they still must have the necessary training. Here we come up against the problem of mental outlook, for their training, from an early age, is oriented towards the so-called feminine occupations and inclines them towards this or that vocation, generally badly paid and without prospects. Attempts should therefore be made, as has been done in my country for some time now, to give women a technical and scientific training enabling them to do so-called men's jobs, jobs which they can do as well as men. I am thinking of work like that of craftsmen, electricians, mechanics, electronicians and others requiring a scientific training. Here they would be competing with men on an equal footing.

But you can't change mental attitudes overnight. A process of education will be necessary before

it is recognized that women, just like men, can have particularly happy careers as a result of their vocational training.

This problem of vocational training needs studying in greater depth. As was said a little while ago, we have just begun International Woman's Year. This year, specific decisions ought to be taken and positive rules of law decided.

President. — I call Mrs Goutmann to speak on behalf of the Communist and Allies Group.

Mrs Goutmann. — (F) Mr President, dear colleagues, I should like, in my turn, to take advantage of this debate to stress that, if we are glad that the year 1975 has been proclaimed International Woman's Year, it should be made clear that, far from being fortuitous, this decision is the result of a struggle and in particular the struggle by women, the result of an objective situation in which the problems of women's status are current topics in all countries and in particular in those of the Community.

This is due to two important and objective facts: the first is the massive invasion of the world of work by women, and the second is the fact that progress in science and technology and social evolution itself are raising, in new terms, the question of the rôle and place of women in the family, in production and in social life. They raise the problem of the sharing of responsibility in the family and in the community, and the problem of the responsibility of the family and the state for the children's education. All these are the new problems, now facing all countries, that have to be solved. And it is because women have now come into the world of work in large numbers and have themselves taken part, again in large numbers, in the workers' struggle, that we now have International Woman's Year.

It is therefore the result of struggle, and of a great change that has taken place in all countries of the world. Today we are in a position to make progress, even spectacular progress, particularly since there remains in all the countries in the European Economic Community a gap between the words aroused by all the problems of the status, promotion and emancipation of women... and reality.

I admire the optimism of the last speaker, particularly as regards the situation of Frenchwomen, but I would make so bold as to tell him, without wishing any offence, that he knows nothing of the situation of women workers in France. Whilst it is true that a number of rights have been obtained in legislation and that as far as vocational training is concerned there are no barriers, *de facto* barriers do exist. We may have

Goutmann

a woman minister, but this doesn't alter the fact that 90% of women workers have no skills. And the same is true in all countries of the European Economic Community.

As, incidentally, has already been mentioned in this debate, this sort of situation is also found in the staffs of the Community institutions and in particular of the European Parliament. The question of the number of women working in the Secretariat of our Assembly has been raised. There are 649. Now, three-quarters of the female staff of the European Parliament are in grades D and C—that is to say, the lowest grades.

So, whatever is said, there is a *de facto* barrier, *de facto* discrimination, in spite of supposedly non-discriminatory legislation. And in spite of the resolve declared so strongly by the Community institutions, in spite of all the provisions of the Rome Treaty, discrimination still exists and continues to be upheld.

It continues with regard to wages, for, in spite of the directive that was passed, a recent debate showed that in all the Member States of the Community there is *de facto* discrimination in this field. It exists with regard to employment, skills and working conditions. In the majority of cases, women work in the least-skilled jobs, but at the same time they have far more difficult working conditions than their male counterparts, simply because the rôle of motherhood is not yet recognized in our society.

On the legal plane, too, in spite of all the provisions to which the previous speaker referred, whilst considerable progress has been made women still occupy a *de facto* position of inferiority in the community and even still in the family, and a number of rights continue to be refused to her.

But what worries us most is that today, with the crisis affecting all countries in the Community, the discrimination against which we are all fighting threatens to become worse. All the monetary troubles and the persistent escalation in the cost of living hit, first and foremost, the women and the mothers. Again, as environmental conditions worsen, with transport services becoming slower and slower and housing increasingly badly built, life is becoming less and less bearable for all women.

But now with the austerity that we are threatened with, we may expect unprecedented contraction in the area of community and social facilities and in particular in day-nurseries, infant schools, maternity and childcare centres and all those infrastructures that are precisely intended to allow women to have a better life and ensure a better education for their children.

Lastly, as my colleague Mrs Caretoni has just said, it is the women and the young people who are first hit by threats to jobs and by unemployment. This is why we are so concerned. We feel, particularly in this International Woman's Year, that we must continue the struggle. We consider that the European Economic Community should set an example and take steps to see that the crisis has no adverse effects as regards promoting and improving the status of women. We do not want it to be used as a means of prolonging discrimination or as a pretext to make use of women and force them to accept scarcity and austerity. Since my colleague has just referred to the situation in France and the existence of a state secretariat for the status of women, we would say: this is admittedly a reason for satisfaction, but appointing a woman, even if she is supposed to have a leftist image, does not automatically settle the problems. On the contrary, the creation of a state secretariat for the status of women in France is primarily an ideological move designed so that women should suffer the consequences of this crisis.

I will confine myself to quoting the words of Françoise Giroud: 'I believe that women's contribution may be invaluable at a time when, if not scarcity, then at least the satisfaction of our material needs will have to be organized'. Well, we are opposed to any approach whose effect is to use women as a way of dealing with the crisis, to divide men and women and to set them against each other, because we do not think that it is men as such who are responsible for discrimination against women, but society—a society of exploitation.

We expect something else from the European Economic Community, not merely words but above all measures that are specific, general measures on living and working conditions for the whole of the population, economic measures and, lastly, specific measures enabling women to free themselves, have access to promotion and, finally, to improve their condition. We hope that the Community will set an example in this field. (Applause)

President. — I call Mr Hillery.

Mr Hillery, Vice-President of the Commission of the European Communities. — Mr President, I could very briefly outline the experience of the Commission in this regard. As you know, Article 119 of the Treaty of Rome covers the question of equality of treatment of men and women. A study done by the Commission on the old six Member States, and more recently on the enlarged Community, made it clear that the application of Article 119 left a great deal to be

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desired, and the Commission immediately proceeded to the preparation of draft directives. The first of these was to promote implementation of equal pay for equal work, and this was, as the Minister has said, adopted by the Council in December. The second draft will soon go to the Council from the Commission and will deal with equal opportunity, promotion, vocational training, and conditions of work. At the same time, the Commission is putting the finishing touches to a programme for women which will be established as a Commission programme and sent to the Council as a communication.

As regards the Standing Committee on Employment, about which Lady Elles asked, this has not met for two years, but the tripartite conference in December suggested its re-establishment, and the Council on 17 December made the necessary arrangements that the Standing Committee on Employment should meet.

A date was set for 3 February and an agenda is being prepared, though it will not contain the problems of women. But I hope that a very early meeting of the Standing Committee on Employment would occupy itself with the programme to be produced by the Commission. I think the Commission intends to take a very full part in International Woman's Year, and I can tell the Parliament that we will have the project for a directive and the programme in a month.

President. — I call Mr Clinton.

Mr Clinton, President-in-Office of the Council of the European Communities. — Mr President, I just wanted to say that I have listened with very great interest indeed to the contributions to this question made by the various Honourable Members. It is obvious that there is widespread interest in this particular subject. I shall certainly bring back to Mr FitzGerald the views expressed here and the recommendations made in the course of this discussion. I have made careful note of all these recommendations for that purpose.

I listened with particular interest to Lady Elles's argument in support of the discrimination that she held existed, that there has never been a lady member of the Council of Ministers. I understand on reliable authority that at least five of the Nine Member States have recently sent ladies to represent them on the Council. The Danish, the Dutch, the Belgians, the British and the French have done this. It may therefore be a matter for some satisfaction to Lady Elles that this, at least, is not one of the forms of discrimination against women.

President. — I call Mrs Caretoni Romagnoli.

Mrs Caretoni Romagnoli. — (I) Mr President, the address by the Commission and the reply that we have had from the Council of Ministers have deeply disappointed me. With the agreement and, I hope, with the support of our colleagues—at all events certainly with the support of Mr Glinne—we have raised a highly topical problem, a problem that takes a dramatic form; and we have had purely bureaucratic replies. There has not been the slightest sign of a political debate. This betrays complete indifference to our problems.

After 17 years, the Council of Ministers on 17 December 1974 examined the draft directive based on Article 119. It referred it to the Committee of Permanent Representatives, and so we find ourselves once again faced with a postponement.

The Social Action Programme provides, as Lady Elles has justly remarked, for bringing about equal access to employment; but the representative of the Commission has now told us that, in this respect too, progress is very slow.

To Mr Rivierez I should like to say that the terms of the problem are very clear to us. We are fighting to change the laws and regulations, but I believe that what needs to be changed above all is the unwritten law, because discrimination does not come from laws. Competitive examinations—you, Mr Behrendt, who have been President of the European Parliament, know something about this—are equal for all; no restrictions are placed on women. But in practice, the openings, the places arrived at, are different. Don't try to tell me that among the staff of the European Parliament there is not one woman fit to hold a Director-General's position. Don't try to tell me this because it is untrue, just as it is untrue in any other sector.

I would call your attention, and particularly that of Lady Elles, to the fact that we, who may consider in a certain sense that we have got somewhere because we are able to speak in this Chamber, should avoid the trap of believing that problems are solved merely because a few women have managed to attain certain positions. This would be a very great error. We should look at the masses of women really suffering from discrimination, at all those young women who are starting in jobs and who are discriminated against, not in principle but in fact.

To conclude, Mr President, I would say to my colleague who quoted the words of Secretary of State Giroud that I have had the pleasure of reading the appeals and recommendations on

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behalf of austerity and the need to increase savings that the Heads of State have addressed to their countries in connection with the energy crisis. I have collected a little file, and I have found that these Heads of State—of all states, regardless of régime—whenever it is a matter of asking for sacrifices, have called first and foremost on the women. The truth is this: those of whom sacrifices are most often asked are us, the women. My file, I assure you, is really amusing, because when Heads of State speak of the glory and successes of their country they address themselves to the population as a whole, whereas when they ask for sacrifices they call firstly on the women and then on the men. This is the unwritten law that prevails in our countries and perhaps in the whole world. And it is this unwritten law, Mr President, that we all, I believe, would like to change.

(Applause)

President. — The debate on this item is closed.

I thank Mr Clinton and Mr Hillery.

10. *Change in the agenda*

President. — The next item on the agenda was to be a debate on the report drawn up by Mr Radoux on behalf of the Political Affairs Committee on the results of the Paris Summit Conference (Doc. 436/74). I have, however, been informed that in the view of most political groups this item should not be dealt with today, as the President-in-Office of the Council is not present. The reason for his absence is that the conference with the ACP countries, at which his attendance is absolutely necessary, is still going on. I therefore propose to the House, in agreement with the rapporteur, to defer this item until the February part-session.

I call Mr Ansart to speak on behalf of the Communist and Allies Group.

Mr Ansart. — (F) Mr President, dear colleagues, during our last part-session in December, speaking in a short discussion on the Summit Conference, I protested about the postponing of the debate in question to our present part-session. I said at the time that this manner of dodging the debate when the Summit Conference had only just finished would not enhance the prestige of our Parliament. Today—and I must say we were already afraid of this in December—I and my friends are sorry to note that the large-scale debate promised at that time has had to take a back seat and priority has been given, with a surfeit of publicity, to the debate on the election of the European Parliament by universal

suffrage. It is now proposed that the debate be again postponed, despite the fact that at noon this very day our President was saying that even in the absence of Mr FitzGerald the debate would take place at 5.0 p.m. Formerly we had a 'social Europe', which became a Europe of promises, and now even the promises are disappearing into thin air. I hope that the postponing of this debate does not mean that it will never take place at all.

Mr President, we must be convinced that what makes the strength and prestige of an Assembly is its resolve to tackle boldly the real political problems facing the world and Europe. Once again, we regret, no place has been found for this debate. This is a serious refusal to face our responsibilities, serious with respect to our prerogatives, about which so much was said during yesterday's debate. Even if we have to be the only group to do this, we protest again and voice our disagreement.

Moreover, in view of the postponement of the debate on the Summit Conference, during which I was hoping to refer to the very disturbing situation in the Middle East, I wish to inform the Parliament that the Communist and Allies Group has now tabled a motion for a resolution requesting an urgent debate in accordance with Rule 14 of the Rules of Procedure.

Lastly, on behalf of my group, I ask, in the hope that we shall not, once again, have prepared a speech for nothing, that at our February part-session in Strasbourg the full-scale debate that we are hoping for on European policy will at last take place when the annual programme of the Community is presented by the President of the Commission.

President. — I call Mr Alfred Bertrand to speak on behalf of the Christian-Democratic Group.

Mr Alfred Bertrand. — (NL) Mr President, the words of Mr Ansart are completely to the point. He has clearly given the reasons why it is better not to hold a debate on the Summit Conference today. On behalf of the Christian-Democratic Group, I fully agree with the position he has taken up. We are also of the opinion that a debate can be held on this subject in February when the annual programme is presented by the Commission.

We shall, at the same time, then be able to judge whether the Commission realizes the great opportunities that the latest Summit Conference has opened up for it—once again to become the driving-force of the process of European integration, as the institution which represents Euro-

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pean interests. For these reasons, the Christian-Democratic Group is in agreement that the debate be postponed and that the debate on the annual programme, to be held this February in Strasbourg, take place jointly with the debate on the results of the Summit Conference.

President. — I put to the vote the proposal to place this item on the agenda of the February part-session.

The proposal is adopted.

11. *Agenda for the next sitting.*

President. — The next sitting will be held tomorrow, Thursday, 16 January 1975, with the following agenda:

10.30 a.m., 3.00 p.m. and 9.00 p.m.:

- Report by Mr De Koning on the fixing of agricultural prices;

- Report by Mr Della Briotta on hill farming;
- Oral Question with debate to the Commission on oil companies;
- Oral Question with debate to the Commission on the supply of grain to Italy;
- Report by Mr Früh on aid to hop-producers;
- Report by Mr De Keersmaecker on the establishment of a register of olive cultivation;
- Report by Mr de la Malène on fishery products from Tunisia and Morocco (without debate);
- Report by Mr Baas on the tariff classification of certain cheeses (without debate).

The sitting is closed.

(The sitting was closed at 5.40 p.m.)

ANNEX

*Oral Questions that could not be answered during Question Time, with written answers**Question No 1, by Mr Hougardy:*

Subject: Proliferation of initiatives in the energy sector

Does the Council not consider that the proliferation of initiatives in the energy sector—Community cooperation, the agency set up by the Group of Twelve, the tripartite conference to be attended by industrialized and producing countries and representatives of the Third World—is likely to retard the fixing of fair prices for oil products?

Answer:

The Council does not consider that the efforts made or envisaged in the energy sector within the three international spheres referred to by the Honourable Member, i.e. the Community, the International Energy Agency and the Tripartite Conference proposed by the President of the French Republic, are likely to delay the fixing of oil prices which take account of the legitimate interests of both producers and consumers.

The purpose of these various measures is directly or indirectly to achieve this goal as rapidly as possible particularly by furthering cooperation between consumer and producer countries. As regards the International Energy Agency and the Tripartite Conference proposed by the French President they are to be or should be envisaged only in a larger framework than that of the Community.

Insofar as the Community does not participate as such in the work undertaken in these spheres and cannot express itself with a single voice, it is important that the positions taken by its Member States in the course of such work be closely co-ordinated in order to avoid any divergent approach, which would only delay achievement of the desired result.

This is the present concern of the Council and of the Commission. To this end the Commission, which attends the meetings of the International Energy Agency as an observer under Article 13 of the Convention of 14 December 1960 setting up the OECD, intends shortly to submit proposals to the Council with a view to ensuring co-ordination with regard to the Agency's proceedings, taking account of the fact that France is not a member of it.

Question No 6, by Mr Cipolla:

Subject: Use of sugar in wines

Does the Commission intend to submit effective and timely proposals to reduce the legal or illegal use of sugar (of which there is a shortage at present) in the production of wine, having it replaced by Community-produced strong wines for blending and stopped and concentrated musts, of which it is feared surpluses are building up?

Answer:

The Commissioners assure the House that the Commission is fully aware of the problem which the Honourable Member raises. The Commission recently proposed an amendment to Regulation No 816 of 1970 on the wine market, and it addresses itself to the problem in that proposal.

The proposal provides that subsidies for the disposal of grape-must can be granted, but only if they improve the competitive position of grape-must, especially in relation to sugar. As far as the illegal use of sugar for the enrichment of wine is concerned, the Commission proposal fixes methods of analysis to allow the composition of wine to be determined and oenological practices, including enrichment, to be effectively controlled.

Question No 8, by Mr Noè:

Subject: Airline management

Does not the Commission feel that, given the current economic situation, which has caused the balance sheets of virtually all the airlines in the Community to show a deficit, those airlines would be well-advised to join together in a collaborative endeavour, at least where airspace is concerned, with a view to improving the management of their resources?

Answer:

1. The Commission considers collaboration among the airlines in the Community to be entirely opportune, especially in an unfavourable economic situation such as the present.
 2. A form of collaboration among the European airlines already exists, at the level of groups such as KSSU and ATLAS and of organizations such as the AEA (Association of European Airlines).
 3. The Commission, for its part, asked, in the proposal for a decision submitted to the Council on 21 June 1972, to be entrusted with examining, together with experts from the Member States and from the airlines, measures required at the Community level for the purposes of
 - improving the network of regular air services within the Community;
 - co-ordinating airline tariff policies as between the Member States;
 - co-ordinating policies for the development of air services with third countries.
- The proposed decision indirectly concerns economic aspects of aerial transport. It has already been debated by the European Parliament and by the Economic and Social Committee, but has not yet been the subject of any pronouncement by the Council of Ministers. Any decision on this subject entails application of the provisions of Article 84(2) of the Treaty of Rome, which lays down that the Council may, acting unanimously, decide whether, to what extent and by what procedure appropriate provisions may be laid down for sea and air transport.
4. On the other hand, the competent Commissioner personally invited to an informal meeting, which took place on 26 April 1974, responsible officials of the principal airlines in the Community for an exchange of views on current problems of air transport. It is intended, so far as possible, to continue these contacts, which, it is hoped, will give positive results.

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IN THE CHAIR: MR MARTENS

Vice-President

(The sitting was opened at 10.35 a.m.)

President. — The sitting is open.

1. Approval of the minutes

President. — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes of proceedings are approved.

2. Verification of credentials

President. — At its meeting today the enlarged Bureau verified the credentials of Mr Duval and Mr Didier and of Mr Ney and Mr Santer whose appointments by the French Senate and the Luxembourg Chamber of Deputies respectively were announced on 13 January 1975.

President

Pursuant to Rule 3(1) of the Rules of Procedure, the Bureau has made sure that these appointments comply with the provisions of the Treaties.

It therefore asks the House to ratify these appointments.

Are there any objections?

These appointments are ratified.

3. Tabling of a motion for a resolution and decision on urgent procedure

President. — I have received a motion for a resolution, tabled by Mr Ansart, Mr Bordu, Mrs Goutmann, Mr D'Angelosante, Mr Sandri, Mr Leonardi, Mr Fabbrini, Mr Marras, Mr Cipolla, Mr Maigaard and Mrs Carettoni Romagnoli, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on recent statements by Dr Kissinger and Mr Schlesinger.

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I put the motion for the adoption of urgent procedure to the vote.

The motion is rejected.

The motion for a resolution is referred to the Political Affairs Committee.

4. Regulations on the fixing of prices for certain agricultural products and connected measures for the 1975/1976 marketing year

President. — The next item is a debate on the report drawn up by Mr De Koning on behalf of the Committee on Agriculture on the proposals from the Commission of the European Communities to the Council for regulations on the fixing of prices for certain agricultural products and connected measures for the 1975/1976 marketing year (Doc. 437/74).

I would remind the House that we decided on Monday to organize this debate pursuant to Rule 28 of the Rules of Procedure. You have been informed of the allocation of speaking time.

I call Mr De Koning, who has asked to present his report.

Mr De Koning, rapporteur. — (NL) Mr President, the Bureau has been kind enough to allow me a whole hour for the introduction. I am grateful for this and I think this gives me ample

time to deal adequately with the serious situation in which European agriculture finds itself and with the Commission's proposed remedies.

The situation of agriculture in Europe is indeed very grave. There are a number of reasons for this, first and foremost the continuing inflation which is harassing all Member States, albeit not to the same extent. In some Member States the pace of inflation has increased to a gallop or looks like doing so. Inflation affects agriculture on three vulnerable fronts.

First of all, of course, it makes itself felt through the increase in production costs resulting from the rise in the cost of means of production. The figures which the Commission has supplied on that aspect give a frightening picture of the cost trend, even if there is doubt as to the accuracy of some estimates. Taking the years 1973 and 1974 together, costs rose by 42 % in France, by 41 % in Denmark, by 47 % in Italy and by 61 % and 66 % respectively in the United Kingdom and Ireland. As against this, we have as favourable exceptions—and here we must take the word 'favourable' with a grain of salt—the cost increase of approximately 22 % in the Federal Republic of Germany and Benelux. Farming economy is clearly undergoing a great strain as a result of this massive rise in costs.

Secondly, inflation affects producers' capital resources. Producers' own capital fulfils a particularly vital function in small holdings. If it is insufficient to cover investment requirements and financing needs, it has to be supplemented, and this can only be done by raising loans at a very high rate of interest. This increases the financing difficulties of young producers and of those holdings wishing to modernize. The ultimate result is a slowing down of the structural improvement of agriculture essential to the future of that sector.

The third way in which inflation affects agriculture is through the rapid rise in incomes in other sectors. That constitutes a further cost factor for agriculture because the fast rising incomes outside agriculture increase the price of the services it needs. Moreover, the rise in non-agricultural incomes brings us increasingly further away from the ideal that agricultural incomes should be brought up to a comparable level. No exact figures are known about the disparity between agricultural and non-agricultural incomes in 1974, but I am sure the disparity in the period which has just passed has increased. These then are the consequences of inflation, which is a strain on our whole economy but affects agriculture in particular because it has such difficulty in combating the effects of inflation.

De Koning

In addition, there are a number of factors specifically affecting agriculture which have aggravated the problem in recent months. I am referring first and foremost to the energy crisis with its repercussion on the prices of fuel, fertilizer, pesticides, etc. Secondly, I would mention the rise in the cost of cattle feeds owing to the increase in the price of maize, soya beans, fish meal and other ingredients. I should also like to point out the collapse of meat prices since mid-1974, from which the meat market has still not recovered. Then, finally, we have the last straw in the shape of bad weather during the past autumn months in north-western Europe, as a result of which harvesting was rendered difficult, cattle had to be brought indoors earlier and the fodder stocks in many holdings are very low. All these factors have continued to push up costs.

It is clear that as a result a very tense situation has now arisen: not only economic stresses, but social and psychological ones due to uncertainty about the future of agriculture. These stresses also have unmistakable political repercussions.

Today we must therefore subject the Commission's proposals to very careful scrutiny. We must consider whether all the interests at stake have been balanced properly and reasonably against one another, and whether the Commission has already succeeded in combining them harmoniously. We are aware of the difficulty of the task because it is a great temptation for us all to select one element from the package of proposals and base our judgment on that. But this would be a mistake; preferably we should base our final assessment on the balance attained between the various elements and on what we think of the whole package.

The Council, the European Parliament and the Commission were already aware in the late summer of 1974 of the problems which have arisen so unexpectedly in agriculture. At that time two important decisions were taken; the most important was an interim 5% linear price increase for all products. This measure went at least some of the way towards coping with the current problems. Secondly, the Council decided to base the price decisions for 1975/1976 on the cost trends during the past two years. In this way the Council has taken into account the criticism made on previous occasions that the reference period was too long. It is true that a longer period is desirable for determining an average cost increase, but in a time of rapidly rising costs a longer period produces a distorted picture.

I need not dwell on the Commission's proposals, now before us, based on these decisions. They are well enough known from the working docu-

ments and the press. What is in effect being proposed is an average price increase of just over 9%.

In addition, there is to be support for part of the beef and veal production and aid for young producers, which is to be gradually phased out over a five-year period. An adjunct to the proposals is the complete or partial abolition of monetary compensatory amounts.

Finally, the Commission has coupled its price proposals to a decision on measures to be taken with respect to hill farmers. Those are the broad lines of the proposals on which we are to form an opinion today.

The discussion of these proposals in the Committee on Agriculture and elsewhere centres largely on the following three points: firstly, the general level of the price increases, as proposed; secondly, the relationship between the price increases for individual products and, thirdly, the gradual dismantling of the system of countervailing charges introduced in recent years for the purpose of compensating the effects of revaluation and devaluation on agriculture. The discussion on these three points is reflected in the report of the Committee on Agriculture.

I should like to comment briefly on each of these points. First, with respect to the general level of the price increases, the relevant proposals have been based on the cost increases during the last two years in modern holdings and on the trends in incomes outside agriculture. This would appear to be a reasonably solid basis for exact calculation, but seems nevertheless to have given rise to extensive and sometimes heated discussion, for which there are basically two reasons. These are firstly the consequences of the Italian situation. In Italy the sharp fall in the value of the lira in recent years caused a very substantial rise in costs, which ultimately necessitated an adjustment of the rate of the green lira, and consequently a substantial price increase in terms of lire for Italian agriculture.

The Commission has not taken the Italian figures fully into account in calculating the EEC average. If the cost increase alone were to be included, the resulting percentage price increase would be unacceptably high for a number of Member States. If the price increases resulting from monetary adjustment were to be included, the resulting percentage would be unacceptably low for other Member States. The Commission has taken a middle-of-the-road course which seems to me to be quite reasonable, although I realize the arbitrary nature of the decision. The second aspect of the discussion on this point comprises the differences between the figures of the Commission and those of COPA for a

De Koning

number of items. They relate to the increase in the cost of means of production, the rise in incomes outside agriculture, the weighting factor per country and, in that connection, the effect of price increases granted in the past.

The disparities between the Commission's and COPA's figures are quite small individually, but in combination they are nevertheless a factor of importance. Strangely enough, COPA's results are consistently higher than the Commission's or, if you prefer, the Commission's results are lower than COPA's. This leads us to a second point; COPA has expressed the wish that the benefit of increased productivity due to the bio-technical factor during the past two years should be passed on to agriculture, which means that the COPA figures must be raised by a further 3%. The result of all these calculations is that COPA considers a price increase of 15% to be desirable, while the Commission proposes just over 9%. The difference is therefore quite substantial, and places Parliament in a difficult position.

Moreover, we can only form a limited opinion of the accuracy of the figures taken partly because the 1974 figures happen to be based on estimates and extrapolation, certainly as far as the second half of that year is concerned.

After detailed discussions the Committee on Agriculture reached a majority conclusion that the figures on which the Commission's proposal is based must be regarded as too low.

Consequently the Committee on Agriculture has suggested that you regard the proposed price increase as clearly inadequate to allow agriculture to attain an income in 1975 comparable with non-agricultural incomes and compensate for the losses incurred in 1974. The Committee on Agriculture did not supply another higher figure instead because it has no exact basis for calculation.

As regards the proposed price increases for certain products, I should first like to make a general comment. The Commission has taken into account in its proposals the market situation in the Community and in the world. On that basis it arrives at relatively high price proposals for cereals and in particular for sugar, and at modest proposals for beef and veal, wine and tobacco. As far as milk, vegetables and fruit are concerned, the market situation is more in balance, and the proposals concerned are therefore closer to the average. This adjustment of price increases to the market situation is considered by the Committee on Agriculture to be the right course taken on its own merits, but it points out that it is in fact the producers of animal products who find themselves placed in

the lowest income categories of Community agriculture. In accordance with Article 39 of the Treaty, that fact also has to be taken into account in price policy. Partly for that reason the Committee on Agriculture holds the view that the price proposals relating to some of these products should be improved.

Our comments on individual products are included sufficiently clearly in the motion for a resolution. I will not therefore repeat them all but only select a few for further comment.

The Committee on Agriculture has pointed out the sharp fall in incomes in the beef and veal sector and has stated that this can no longer be corrected by the price policy and the present intervention mechanism alone. For these reasons it welcomes the Commission's proposal for Community support regulations in favour of beef and veal producers. But we believe that this does not dispose of the matter, and that in order to offset the appalling conditions suffered by beef and veal producers additional proposals will be necessary for common marketing arrangements for beef and veal. The Committee on Agriculture is of the opinion that the price increase for milk which the Commission wishes to introduce in two steps, 6% on 1 February and 4% later in the year, should preferably be imposed as a single increase. Its conclusion is therefore that the price increase for milk should be 10% as from 1 February next. We doubt whether it is wise to maintain the present relationship between milk fat and milk protein. We fear that the increase in the price of butter, at least in some Member States, will result in an appreciable decline in consumption.

We agree that in the cereals sector the price increases for maize and barley should be relatively higher than those of other types of cereals.

We wonder whether in the wheat market it might be worthwhile considering the introduction of a distinction between feed grains and bread grains, with a consequent clear difference in price levels.

Having regard to the Italian economic situation, the Commission proposes only a relatively modest price increase for durum wheat. We would point out on the other hand that there is a shortfall of durum wheat, so that if reference were made to the world market situation the prices proposed would have to be increased.

As regards the proposed olive oil prices, we would draw the Commission's attention once more to the fact that Parliament considers it necessary for the support system for olive oil to be amended, but that will only be facilitated

De Koning

if the proposals are such that no fall in the incomes of olive oil producers would result from the change in the system.

Broadly speaking, we are in agreement with the proposals relating to vegetable and fruit prices, but we would once more urge the Commission to improve the reference price system so as to ensure that the reference prices actually affect the market and the incomes of producers in this sector. In this particular sector it is even more important that the market should be efficiently managed than that prices should be increased. The Committee on Agriculture has again pressed for the introduction of regulations on the grubbing up of trees. It is also urging that the support measures currently in existence at national level for greenhouse horticulture should, in view of the rising fuel costs, be brought under Community regulations.

With regard to the wine market, we are facing a difficult situation. There are large surpluses of certain types of wine. We are in agreement with the Commission's price proposals in this context, but we hold the view that it will very soon be necessary to take measures to improve the situation in the wine market.

With regard to tobacco, we have been astonished by the great differences in the prices proposed by the Commission. For some varieties of tobacco the proposed prices are very close to the average, while in other cases they are far below, and it would even appear that certain varieties will suffer a negative effect. I should be grateful for an explanatory statement. We are of the opinion that the proposals need further careful review.

The Committee on Agriculture has had an exchange of views on the position of the United Kingdom and Ireland. In the light of the change in the market situation brought about by the accession of the United Kingdom and Ireland a transitional period was proposed, partly on the basis of the market situation which existed at the time. We hold the view that the market situation has now changed to such an extent that the transitional period for all products still affected should be brought to an end as soon as possible.

And now a few more words about management of the market. We know that in applying our refund policy we must aim at making adjustments to allow for trends in world market prices in relation to Community prices. We should, however, like to stress once more that it is very important, notably for trade and for the processing industry, for the refund policy to be cautiously applied to prevent any violent upheavals.

Finally, I should just like to stress once more that the price increases proposed by the Commission will admittedly be substantial in comparison with those of previous years (it cannot be otherwise in a time of rapid inflation), but will nevertheless only have a slight effect on consumer prices.

If my memory serves me right, Mr Lardinois mentioned in this connection, in the Committee on Agriculture, a figure of 0.5% on the basis of the Commission's proposals. I believe that it is worth while, with a view to reconciling the interests of producers and consumers, to bring this figure once more to the attention of Parliament.

I should like to make a few comments about the structural measures. The Committee on Agriculture agrees with the proposed aid to young farmers. We realize that this contribution in aid is modest in volume and that, having regard to the conditions attached, it will only be granted to a small number of young farmers. In my opinion therefore, it is important that we should be kept informed on a regular basis, and by that I mean annually, of the number of farmers per Member State and per type of holding who receive aid of this type. The Committee can then investigate with the help of those figures whether this form of aid adequately helps young farmers in particular over the difficulties arising from the capital-intensive nature of the holdings and the high level of interest rates.

Mr President, I have already spoken about the linking of the price regulations with the decision on aid to hill farmers. The Committee on Agriculture agrees with the need for linking these two things. It would like to draw the attention of the Commission and Parliament once more to the need to adjust the amounts mentioned in the directive on structural measures so as to take into account the decline in the value of money.

Now I come to the third point, the monetary measures. These are perhaps the most difficult part of the whole package of proposals. I should like to suggest a few general principles with respect to monetary compensatory amounts.

We agree that these compensatory levies are essential in order to cushion the shock of revaluations and devaluations on the common agricultural prices. Until such time as we succeed in bringing about an economic and monetary union, or until such time as we succeed, prior to that, in maintaining an effective 'snake', the common agricultural policy will need an instrument to cushion the effects of economic and monetary imbalances between Member States.

De Koning

These economic and monetary imbalances between Member States are an inescapable fact, a reality which will also have to be taken into account in determining agricultural policy.

Agriculture in the Community falls within two spheres of influence, firstly the sphere of national economic development and, secondly, that of the common agricultural policy. Unfortunately these two spheres are not harmonized at the present stage of European integration, but agriculture cannot escape the effects of either sphere. Monetary compensatory amounts are a kind of buffer between the two spheres. But a buffer is not a wall, and the countervailing charges do not hermetically seal off agriculture in the various Member States from the national economy; that would be undesirable and unrealistic.

Perhaps some national budgets can afford an underdeveloped type of agriculture, but there is no national economy in which agriculture can afford to be an underdeveloped area. It is very important that agriculture should adapt itself to the economic development of the various parts of the Community. This is in the interest of the agriculture of all Member States and of the economy of each Member State; it is in the interest of the common agricultural policy and of European integration itself. And it is precisely for these reasons that monetary compensatory amounts should not be applied permanently, but temporarily. They may be a salve, but a salve is no cure in itself; it can only seal off the wound, and this will not be healed until the body adapts itself, after which the bandage can be removed. In this respect we must also realize the unique advantages which, precisely owing to the common agricultural policy, European agriculture has over other export-oriented sectors of industry. All sectors of industry, shipping, aviation, the motor industry, branches of the multinationals, to name but a few, immediately suffer the consequences of revaluation or devaluation, and such consequences are often very painful. The common agricultural policy makes it possible for agriculture to pass through a period of adjustment, but that is all. Adjustment must come if we are again to avoid applying national agricultural policy on the basis of a sort of national protectionism of one's own agriculture. In this connection, it is just as well to nail the argument that the abolition of countervailing charges for agriculture is a necessary correlate to economic and monetary union.

In fact there are two problems. The first is to concentrate national currencies in a snake arrangement so as to prevent new disparities and a renewed widening of the gap between currencies. But this problem must be distinguished

from that of adjusting the green currencies to the normal exchange rates. That question, the discrepancy between the green currencies and the normal currency values, exists now and will continue to exist, even if an economic and monetary union is brought about in due course.

It would have been better if we could have solved that problem earlier, and to that I would add: the earlier the better. As each day passes a temporary adjustment becomes more of an acquired right, a first aid dressing more of a permanent medical appliance. Every day increases the risk that agriculture in the Member States concerned will become a permanent invalid.

Bearing in mind this argument, and still stressing the adjustment measures for agriculture, must we then ignore the problems which agriculture is experiencing in those Member States which, because of a healthy economic situation, are attempting to combat inflation by means of revaluation? These problems deserve our attention, as they are very substantial in the agricultural sectors. Of course, even after a revaluation the income from agriculture remains the same in terms of units of account, and it might be said that the unit of account remains the corner-stone of the common agricultural policy. But we must also give farmers in the Federal Republic and in the Benelux countries, to mention but a few examples, a chance to maintain their incomes in terms of marks, guilders or Belgian francs, and to do this they need time. They need time to rationalize their farms, to improve the structure and to adapt the methods of marketing their produce. In short, they need time to do what has also been done in other sectors of a national economy and has created the conditions for a possible revaluation and the cushioning of its effects.

Nor should agriculture enjoy a special position within the framework of the national economy. It should play its part in the national economy as a whole.

That is why the Committee on Agriculture holds the view that the time has come to start dismantling the system of countervailing charges. It is aware of the dilemma of the choice between short-term and long-term consequences, which is also a very common one in politics. In the short-term the abolition of compensatory amounts means a relative reduction in income for agriculture in Member States which revalue. But in the long-term abolition will further the adaptation of agriculture to the other sectors of economic activity. Because of this dilemma the Committee on Agriculture wishes to proceed carefully. It therefore thinks the Commission's proposal is too drastic.

De Koning

That proposal, which entails a reduction of 5% in the monetary amounts applied by the Federal Republic and 2.7% in the case of the Benelux countries, creates too great a discrepancy between short-term and long-term interests.

The Committee on Agriculture believes that the adjustment should take place at a slower rate. It proposes 3% as a first step for the Federal Republic and is of the opinion that such steps cannot be taken at the present time in the case of the Benelux countries and France.

I should like briefly to outline the reasons for this view. In the case of France the Commission proposes an adjustment of 3½% with effect from a date to be chosen by the French Government itself, apparently on the basis of a comparison to be made by the French Government between the disadvantages of a negative compensatory amount in Community trade and the advantages of such a negative compensatory amount in keeping down the cost of living. The Committee on Agriculture agrees that the timing should in fact be left to the French Government.

With respect to the Benelux countries, there are two reasons why at the present time there should be no gradual abolition of compensatory amounts. First and foremost, the Federal Republic now has by far the highest compensatory amount, namely 12%, while the Benelux countries only have 2.76%. In our opinion, abolition should begin with a reduction of the highest amount.

Secondly, your Committee realizes that agriculture in the Netherlands last year had to cope with a revaluation of 5% and only enjoyed compensation for a period of one year. It does not seem to me to be advisable, in the wake of such a drastic operation, now to expose Dutch agriculture to the consequences of dismantling the system of compensatory amounts.

The Committee on Agriculture fully realized when discussing this matter that it is a question of compromise between national agricultural interests and the common agricultural policy. A middle course had to be found in order to take into account both the problems of the revaluing and those of the devaluing countries.

What is needed is a compromise between the present requirements of the common agricultural policy and the prospect of economic and monetary union, which is not yet quite within sight. The Committee on Agriculture has attempted to find a compromise between the interests of European agricultural policy and those of European integration as a whole. And those who try to find compromises find it very hard going.

It is a field where even angels fear to tread, let alone a Dutch Christian Democrat. But it is here that we must seek a solution to the transitional difficulties of the common agricultural policy and the common basis of European integration.

Mr President, we are engaged in a debate here as members of the European Parliament, but each of us has his own national background, his own political views. Yet we are prepared to build Europe together and to sacrifice our own views and interests for that purpose. As always in politics, this means a readiness to choose not the most ideal solution but the least bad one. In all modesty the Committee on Agriculture is of the opinion that it has now in its report provided Parliament with an opportunity to reach a compromise, realizing that only a European institution has sufficient strength to accept the least bad solution and prevent the worst from happening. The very worst that could happen in the process of European integration would be for it to be dominated by national interests.

(Applause)

IN THE CHAIR: MR BERKHOUWER*President*

President. — I call Mr Cointat, draftsman of the opinion of the Committee on Budgets.

Mr Cointat. — *(F)* Mr President, the Committee on Budgets has been asked for its opinion on this important matter which will determine the fate and the standard of living of European farmers in 1975.

As there is so little time available, I have been asked, at the last minute, to present this opinion to you orally. The Committee on Budgets has, of course, only considered the financial aspect of the proposals made by the Commission. It has refrained, accordingly, from making any judgment on the content or advisability of the measures proposed and has left this to the Committee on Agriculture and its rapporteur, Mr De Koning, to whom I should like to extend my warmest compliments on the clarity of his admirable speech.

First and foremost, the Committee on Budgets has noted, with some satisfaction, the appreciable improvement, compared to previous years, in the presentation of the financial implications of the measures proposed. This survey embraces in particular the financial consequences calculated on the basis of maximum and minimum

Cointat

estimates, but also includes a detailed explanation of the assessment factors which the Commission used in order to arrive at its estimates.

The Commission proposals regarding the prices of products will probably result in an increase in expenditure in 1975 of around 183.5 million u.a. compared to the figure put forward in the preliminary draft budget for 1975.

In this connection the Committee on Budgets would like to remind Parliament that when the budget was voted on, the Committee supported a proposed modification aiming to restore an appropriation of 200 million u.a., the whole point of which was to take account of the increase in guarantee expenditure arising from the fixing of the new agricultural prices. As this proposed modification was unfortunately not adopted by the Council, it will be necessary to draw up a supplementary budget to finance the increase in expenditure, and we greatly regret we were not given a better hearing.

The Commission proposals will, on the other hand, also result in a decrease in the amount of levies, that is, of Community receipts, totalling approximately 137 million u.a. This means that a total 320 million u.a. in supplementary appropriations will be necessary in a supplementary amending budget some time this year.

The Committee on Budgets would like to reiterate its criticism of the use of amending budgets, especially when they are the result of foreseeable events, such as the increase in agricultural prices.

As for the other aspects of the proposals made by the Commission, I must say that opinions in the Committee were very divided, very diverse, and may be summarized as follows: certain members welcomed what they considered to be a prudent attitude to the price increases on the part of the Commission given the inflationary climate prevalent in the Community. Certain members also felt that the Commission's price proposals were likely, to some extent, to allow the gradual absorption of surplus production in certain sectors.

Other members of the Committee felt, on the other hand, that the Commission had been over-cautious in limiting the price increases for the coming marketing year. Some thought in particular that these proposals might give rise to serious unrest among the farming population: others felt that they did not take sufficient account of the probability of food shortages, which they felt were threatening the population of the world in the short and medium term. The agri-monetary measures proposed by the Commission also received rather varied recep-

tions from the members of the Committee on Budgets.

Finally, the members of the Committee considered unanimously that the most direct threat to the achievements of the common agricultural policy lay in the different inflationary trends and monetary fluctuations affecting each of the countries.

Thus, ladies and gentlemen, Mr President, both those who voted for these proposals and those who voted against them were guided by a variety of considerations. Finally, on 13 January the Committee on Budgets voted in favour of the Commission's proposals by six votes to five with one abstention.

I have attempted to give a faithful account of the opinion of the Committee on Budgets. I have summarized the various observations and comments which were made by the Committee. I have noted the positions of the various parties and I have been given the result of the final ballot, which from the purely financial point of view yielded a slight majority for an opinion favourable to the proposals of the Commission of the European Communities.

I have not allowed myself the liberty in this short speech of giving you my personal opinion. I was not entitled to do so, since, concerned as I am to see an increase in farmers' incomes, I am fundamentally opposed to the various measures which are being proposed to us.

(Applause)

President. — I call Mr Clinton.

Mr Clinton, President-in-Office of the Council of the European Communities. — Mr President, may I say that I very much value having this opportunity of attending Parliament today to listen to the views of the various Members in this debate on the Commission's proposal on the fixing of prices for certain agricultural products for the 1975-76 marketing year? I have had the experience in the Council on three previous occasions of participating in price negotiations, and I am fully aware of the difficulties of reaching agreement. On this occasion I carry the added responsibility of chairing these discussions at a time when all the Member States are going through an exceptionally difficult period. You will appreciate that this does not make my task any easier.

The Council is well aware of the main objectives to be attained. These consist in protecting farmer's incomes, which are threatened by rising costs, and giving them as far as possible confidence in the future development of farming.

Clinton

The past year has been a difficult one for farmers. This year, as I see it, we in the Council have a duty and a responsibility to make our agricultural arrangements in such a way as to enable our farmers to return to a position of reasonable profitability and even to ensure an element of compensation for losses suffered during the past year, losses which we know were very heavy in some areas. The most important task the Council has to do is to restore farmer confidence. We are all aware of the degree of pessimism and the loss of confidence that exists at the present time. I need hardly mention the economic effects of inflation, not only on farmers but on all other sections as well. I am aware of the widespread concern at the fact that last year's price increases were not passed back in full to producers, and an effort should be made on this occasion to rectify this situation as far as possible.

There is, of course, the other important question of the monetary adjustments, which must be seriously considered on this occasion because of the distortions that have occurred and which are still occurring in the market. I know that the Commission has made certain proposals in relation to this matter, which is a serious one for at least some of the Member States.

We have not been talking for long, but I get the impression that there is a fair consensus of agreement among my colleagues in the Council on most of the matters I have already outlined and that we are all inspired to the same degree by a desire to arrive at reasonable solutions in keeping with the objectives of the Common Agricultural Policy. It is this feeling which enables me to look forward with a certain degree of confidence to the discussions to be held by the Council next week. I also wish to pay tribute, and think I may do so without failing in my duties as President, to the remarkable efforts and breadth of imagination which the Commission has displayed in the proposals submitted to us. You will understand that at the present stage in the proceedings just prior to the difficult discussions which the Council is due to hold on the subject, I cannot, in my capacity as President, go into the matter any further. My main purpose in being here is to hear what you have to say. That is why I am not going to avail myself of my option to speak later on. But I do assure you that I will report to my colleagues on the opinions expressed in this forum. I regret, however, that it will not be possible for me to remain in the Parliament later than 5 o'clock this afternoon as I have to get back to Ireland this evening to attend to urgent business. I sincerely hope that by that time I may have the views of at least a good cross-section of the Members present.

Mr President, I have said all that I feel free to say on this occasion. As is probably known, I have a second hat which is a different shade of green, but I feel that I dare not wear it on this occasion. Finally, may I again say how much I value the opportunity of coming here to Parliament today to listen to the views of various Members. Thank you, Mr President.

(Applause)

President. — Thank you, Mr Clinton. I call Mr Lardinois.

Mr Lardinois, member of the Commission of the European Communities — (NL) Mr President, may I join previous speakers in thanking the two rapporteurs, Mr De Koning and Mr Cointat, on behalf of the Commission of the European Communities for their reports and accompanying explanatory statements.

I find, however, that I must disagree with them on a number of points, particularly in the case of the report of the Committee on Agriculture, but I shall return to this shortly.

I should particularly like to congratulate Mr De Koning for the seriousness with which he has studied this matter, and the well-thought-out arguments he has produced on a number of points, even if they are not always in agreement with the Commission's viewpoint. I should therefore like to consider certain arguments from a different angle, which I consider to be the correct one.

Mr De Koning began by saying that there was quite a disparity between the figures produced by the Commission and those produced by COPA, and that this has caused considerable difficulties for the Committee on Agriculture, which does not have at its disposal the technical facilities necessary to verify the data. I should like to state first of all that I too regret this. If it were just a question of taking or not taking increased productivity resulting from bio-technical advances into account, there would be no problem. This factor causes an obvious disparity totalling 3.3% over two years, and everyone can judge the question on its own merits. But, as Mr De Koning rightly pointed out, all COPA's calculations work out a little higher than those of the Commission. The rapporteur said that these disparities were not grave in themselves, but that it was noticeable that the COPA figures were higher than the Commission's figures in all cases in which they differed. He regrets this, but leaves the question open as to whether this is the fault of the Commission, which might have had a tendency to round everything off downwards, or of COPA, which might have had the opposite tendency.

Lardinols

It will perhaps be useful if I go into this in some detail since it was one of the most important items under discussion during my last meeting with COPA officials about ten days ago. On that occasion I clearly pointed out to them before our experts compared figures that there were positive and negative disparities between the figures which we and COPA had produced from our own respective sources. We then proceeded to compare figures. In almost every case in which our figures were higher, COPA adopted our higher figures, but did not seem to regard this as any reason for adopting our figures when these turned out to be lower.

In other words, COPA did not apply an objective criterion. The data had indeed been collected objectively, but were not subsequently presented in an objective manner. I should like to say that I greatly regret this. If we do not manage to change this situation in the coming years, and thereby improve the conditions of consultation, the basis for this type of consultation which we are laboriously endeavouring to establish will be totally lacking.

As a result of this incident we have agreed with the COPA officers that in future we will work out the method for consultation in detail and put it down on paper before we know the prices or costs, say before 1 July of the following year. I am very glad about this in that it represents a common effort to avoid incidents of this kind. I had thought we had a common basis this year before we began to calculate the costs, i.e. by deducting the average price increases introduced in 1974 from the total rise in costs over 1973 and 1974. There was complete agreement about the broad lines of our method. But then it suddenly emerged that there were still a large number of differences at the technical level. Let us hope that our attempts at least to maintain objectivity on both sides do not come to nothing.

In spite of this turn of events I am confident that we will not be obliged to lay two sets of figures before Parliament on a future occasion. Nor should what I have just said be interpreted in any way as a criticism of the intentions of COPA, and it was certainly not intended as a criticism of its Chairman, who took his leave just a week ago after four years of concentrated efforts to make this an actively European organization at all levels.

I feel that what has happened is a regrettable incident, but that it does not detract from the fact that we have been making a joint effort over the last two years and have reached the point where we can conduct a sort of 'annual review' with complete openness on both sides.

We are now endeavouring to cure the teething troubles from which this consultation is still suffering. I am fully confident that we shall be successful, perhaps on this point more than any other, since the present chairman of COPA knows better than any of the chairmen of other European agricultural organizations what it in fact means to undertake annual reviews.

Mr President, I should now like to go on to a second point. The rapporteur asked me what effect the Commission's proposals would have on the cost of living. If our proposals are adopted without modification, the cost of living will increase by two thirds of 1% throughout the Community, that is to say by an average of 0.66%. There would be some variation from country to country, but this would not be as great as the 5% which we experienced last October.

The effect of our price increase for the Community as a whole will be 9.7%, excluding the monetary compensatory amounts, since these generally cancel each other out. The average has been calculated as being exactly 9.7% since account must also be taken of the various dates on which the price increases take effect.

In the cases of sugar, for example, for which we propose 16%, this means that the increase will in fact be a little greater, since half of the increase will be introduced earlier. In the case of milk the timing will mean a smaller increase on the one hand, since part of the increase will not be applied until 1 September, but on the other hand 6% will be applied before the official date of 1 April. In the case of beef the increase will be applied one month sooner than normal. These facts must also be taken into consideration in our calculations; because of the dates therefore, we will obtain a little more for beef and sugar, and up to approximately 1% less for milk since 1 September is a fairly late date.

The rapporteur has just said that he hopes the entire price increase for milk will be introduced on 1 February. Since the marketing year for this product begins two months earlier, this would mean that the figure of 10% would be considerably exceeded this year—not as regards the actual level, but in terms of the consequences for the milk price year. An important objection to this proposal is, in my opinion, the effect it may have on consumption, and therefore on the development of costs.

A price increase of 10% with effect from 1 February instead of 6% from 1 February and 4% from 1 September would involve a cost increase for the dairy produce sector which in

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1975 alone—and it would probably continue to affect 1976 as well—would require an extra expenditure of approximately 125 million u.a., which would have to be included in our amended budget.

One could perhaps consider this further if the dairy produce sector were not such a major debit item, but we all know that it is by far the most costly sector and that it already represents approximately 1 500 million u.a. of our budget. I think that this too is a good reason why Parliament should reject the request that these price rises be introduced as a single increase, thereby forcing us to allocate an extra 125 million u.a. for this sector. Our proposals have kept within the scope of the budget we submitted to you. The Council of Ministers of Finance has not agreed to our allocating 200 million u.a. for these price adjustments. But these proposals would not require any more appropriations for the EAGGF than we originally requested from Parliament in July and October.

I should like to point out emphatically to Parliament that if it wishes to make significant amendments to the proposals and if these are adopted by the Council, we shall need a considerable extra budget allocation for dairy produce.

Mention has also been made of beef and veal. I am glad that the Committee on Agriculture has accepted the general terms of our proposals. This is very important, since the measures for the beef sector might well be one of the most difficult matters for the Council to reach a compromise on. Views on this matter differ greatly, and very differing wishes have been expressed. Moreover, everything seems to indicate that we are already past the most difficult stage in the beef drama. Prices since 1 December have returned to a level slightly higher than in 1973 and January 1974, and in most countries at least a 'slaughter premium' is paid. I do not mean by this, however, that the situation has returned to normal, since the guarantee prices or at least the guide prices have also been increased over this period.

The general prospects in the meat sector, however, are fortunately no longer as dismal as they were about three months ago. Our difficulties are certainly not yet quite over, but the outlook is somewhat better than most people think.

The Committee on Agriculture has also expressed a number of wishes with regard to horticulture. I should first of all like to say that we shall draw up a number of proposals regard-

ing horticulture under glass which will most probably be submitted to Parliament. We hope that after 1 July we shall be able both to give our opinion on the energy policy and to formulate a number of measures which will no doubt influence supply and demand in greenhouse products. The proposals will, I hope, reach you before 1 April.

In addition, the Committee on Agriculture has expressed its opinion on the regulations governing the grubbing up of fruit trees. It would like to see a new regulation introduced. The Commission has a number of reservations on this point but I can assure you that I am fully prepared to hold further detailed discussions on this matter with the agricultural organizations within COPA. We have already agreed to reconsider the matter jointly at the end of February and the beginning of March. Parliament's wishes have already been fully satisfied in view of the improvement in the reference price systems since a significant amendment and improvement was introduced in August. We cannot continue chopping and changing; we must gain some experience of the new system of last July and August.

I was very pleased at the favourable reception which our proposals with regard to young farmers were accorded by the Committee on Agriculture. I might also point out that this, in all probability, is a regulation which might significantly affect approximately 150 000 young farmers within the Community, but one must allow for a considerable margin of about 20%, depending upon the rules and scope for the application of Regulation No 159 in the nine Member States. I am also very pleased at the favourable way in which our proposal on hill farming and farming in other less-favoured areas was received by the Committee on Agriculture. I should like to express my appreciation to the Committee on Agriculture for its valuable assistance in formulating this opinion.

This brings me to what is probably the most difficult question from the political point of view, and the question which will receive most attention in Parliament today: I am referring, of course, to the monetary compensatory amounts. The effect of monetary compensatory amounts is to keep price rises down and not to increase them.

The Members of Parliament will accept these conditions more readily than price controls. I might at this stage repeat a number of points and bring up a few new ideas which, I think, have seldom or never been discussed in this context.

Lardinois

At the moment the actual price level in a number of Member States, particularly the Federal Republic of Germany, is 12% above the official Community agricultural price level, regardless of whether it is expressed in DM, dollars, francs or any other real currency. In other Member States prices are 12 to 14% below the official level. Let us consider the situation in the Federal Republic, where the prices are 12% higher than normal. If the price increase, rounded off to 10%, is to be applied on the basis of this figure, this will mean an actual price increase for the Federal Republic, expressed in DM, of 10% of 112, i.e. an increase not of 10%, but of 11.2% in the official agricultural prices. This is what we can expect this year in the absence of monetary compensatory amounts. The same happened last October, last March and during the previous year. It has been happening since the beginning of 1972 when the first monetary compensatory amounts were introduced.

You may ask what effect a difference of 1% or 1.2% will have. May I then remind you that the difference between 4% and 5% in September and October gave rise to what was possibly the most significant incident between the governments of the Member States in the whole of 1974. I must tell you quite honestly that without a procedure involving monetary compensatory amounts for the revaluing countries I can see no possibilities for fixing common prices. If Parliament feels that there should be no procedure involving monetary compensatory amounts at all, I see no possibility of solving the problems facing us, either at Council level or at any other level.

In addition prices, expressed in DM or guilders always increase more sharply in one country than in another. This is what is known amongst wage earners as the old question of cents and percents. If your prices are higher and you always get the same percentage on these higher prices, then in fact you get more in terms of actual money. Secondly, and more important, particularly in the longer term, if this system is retained, distortions in conditions of competition will increase by leaps and bounds. This problem should not be underestimated. Distortions of this kind gave rise to a great number of problems and difficulties in the past year; I must be very clear on that point. They also contributed considerably to the problems affecting, *inter alia*, the Italian market during the past year.

Perhaps I might sum up my view of this matter once more. I feel that the system of countervailing charges is essential in the present period, and cannot, therefore, be abolished. This will

only be possible when we have advanced further along the road to Economic and Monetary Union. Let us suppose that the Federal Republic of Germany, to take just one example, is obliged to revalue at a given moment. It must, in my view, be possible for this revaluation to lead automatically to an increase in the monetary compensatory amounts, at least if the German government itself so wishes.

However, the monetary compensatory amounts introduced in that event should not be regarded as permanent, since agriculture can, in the course of time, adapt to the new situation and this revaluation procedure will make a number of products relatively cheaper for a revaluing country than for a country which is not revaluing. But this only happens for a certain period. For this reason, and once more I must repeat this emphatically, we cannot do without the system of monetary compensatory amounts. The right to apply them should therefore exist, although the national governments need not apply them if they feel that they are unnecessary, or if they think they can provide the farmers with alternative temporary assistance. This was the case in Germany in 1969 and in the Netherlands in 1973.

However, both Germany and the Benelux countries adopted the system of compensatory amounts at the end of 1971. This system can be applied in the future too in cases of revaluation.

If, however, revaluation leads to less severe price increases for agriculture in the country concerned compared with the other countries, that factor should, in my opinion, also be taken into account when calculating prices. I think that this should be done at that stage since if it were done at any other time, it would in fact mean a drop in prices, when expressed in the currency concerned, whereas during the price calculations the problem can be solved by not including part of the price increases expressed in percentages. I hope that after this clear-cut account of the basic issues, Parliament will have a better understanding of the absolute necessity for the procedure we have proposed. It is not that I am concerned that our proposal on this matter should be adopted right down to the last detail and the last 0.1%. What matters is the general direction and the need for a systematic approach. We must be able to produce clear arguments to support the view that in a year of crisis such as 1974 the farmers in Belgium, the Netherlands and Germany have as much right as anyone else to complete compensation for increased costs, in accordance with the formula agreed with the agricultural organizations. The farmers have a right to this, and I think our proposals will ensure that they are

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not left behind. If anyone can prove to me that this is not true or not completely true, then I will be the first to submit to the Council different proposals with regard to monetary compensatory amounts for the four countries involved.

(Applause)

IN THE CHAIR: MR HANSEN

(Vice-President)

President. — I call Mr Martens to speak on behalf of the Christian-Democratic Group.

Mr Martens. — (NL) Mr President, ladies and gentlemen, I should first of all like to say how glad I am that the President of the Council is present at this debate, and to note with particular satisfaction that he is going to take our viewpoints into account. I am also happy that Mr Lardinois has given us an explanatory statement on the Commission's proposals. We should, of course, also like to thank Mr De Koning for having accomplished the not inconsiderable task of guiding such a contentious price proposal through the Committee on Agriculture with eleven votes for, one against and five abstentions. I should also like to congratulate him on the way in which he introduced his report today.

I have described this proposal as contentious and I should just like to add a few words on that score. I assume that the Commission has made an honest attempt to base its price proposal on objective criteria, i.e. agricultural production cost trends, the development of non-agricultural incomes, the price increases granted in March and October 1974, the development of agricultural incomes compared with incomes in other equivalent sectors, the equilibrium of the agricultural markets and, finally, the overall economic situation, which is characterized by an extremely severe inflationary tendency. No-one will deny that these objective criteria are applicable in a more or less stable economic situation. But unfortunately, developments in 1974 were somewhat chaotic, not only from the point of view of agriculture but also in general economic terms. If we establish criteria in keeping with these circumstances, I fear that any proposal based on them would be open to a certain amount of criticism, in spite of Mr Lardinois' explanatory statement. The chaotic development was, in my opinion, caused by severe and irregular increases in production costs in all Member States, particularly, for such items as fodder, fertilizers, capital and fuel, to name but a few.

The collapse of the beef, veal and pig-meat market was of no advantage to the consumer. The farmers' demonstration which took place in several Member States and received the sympathy of the entire population, the national subsidies, the interim price adjustments which the governments were forced to introduce in October 1974, in order to soften the blow to agricultural incomes, the Italian emergency measures, the repercussions of the oil crisis on industry as a whole and the resultant drop in consumer purchasing power, the world shortage of cereals (both for bread and animal foodstuffs), oil seeds and sugar, which forced world market prices up to unprecedented levels, the serious world hunger problem, the ever-widening gulf between agricultural and non-agricultural incomes, the increasing disintegration of the agricultural markets, resulting from monetary instability—these are but a few of the many aspects that I could mention.

Under these conditions, drawing up price proposals to satisfy all concerned was, of course, a difficult task. On studying the criteria underlying the proposal, we first of all observed that the Commission and COPA differed on a number of points, in spite of the consultation which had taken place between them. The Commission proposes an average price increase of almost 9%, compared with the 15% asked by the agricultural organizations, and I think the differences of opinion are of two kinds. The Commission asserts that the proposals are based on the 1973/74 production cost trends and that it has taken the 1974 price increases into account. The agricultural organizations have worked on the basis of the same data, but they contest the Commission's calculations on several points which Mr De Koning dealt with in detail. A second difference of views is that the Commission proposes to adjust the general price level in such a way as to ensure a per caput income for persons employed on a 'modern' agricultural holding equivalent to that received by persons employed in other sectors, taking into account capital charges and trends in production costs and productivity. The agricultural organizations, however, point out that only 22% of holdings are larger than 20 hectares, and that even a large proportion of these cannot be regarded as 'modern' holdings.

This means that the average income of the majority of small farmers is kept low and that no structural measures can ultimately make any real difference to the situation. Another point of view is that as long as agricultural incomes lag behind incomes in other sectors—and the fact that they do so is generally accepted—the benefits of increased productivity should go entirely to agriculture.

Martens

The price proposals and calculations strike the farmers as lacking credibility. The Commission's calculations, resulting in only a 9% net increase in costs, are based on statistical data or even estimates. The farmer can see from the invoices he has paid—and I base what I am about to say on actual accounts closed on 30 November 1974—that after an increase of 17½% in 1973, the cost of animal feedstuffs was still rising at the end of 1974, and will no doubt continue to do so in 1975.

The current price is practically 30% higher than in 1972. Fertilizer prices rose by 23% in 1974 and will continue to rise this year. The cost of Commission work has increased by 14.74%, capital charges by 14.7%, labour costs by 23.6% and overheads by 12.7%. It can be seen from this that all costs have risen by more than 9.6%. As I said before, these figures are taken from actual accounts; this is the situation in practice.

I should like to draw your attention to the Commission's memorandum of June 1974, in which it predicted that the oil crisis would have extremely unfavourable consequences for trends in agricultural costs.

Even then I had a feeling that the effects of the crisis would be still greater than the Commission was anticipating.

As I said before, the Commission and COPA both worked on the basis of more or less the same data, but reached different conclusions. They both came to the conclusion that costs had developed fairly evenly throughout the Europe of the Six in 1973. However, the situation in 1974 was different. According to COPA, the 1974 figure was 21%—with the Netherlands and Italy the extremes with 6.3% and 37.9% respectively—compared with an average of 14% in 1973. The increase in costs for the Netherlands and the Federal Republic in 1974 was considerably less than in 1973, but this did not prevent Parliament recently, on a proposal from the Commission, from approving an extension of the subsidies introduced in connection with the revaluation of the guilder and the German mark.

The second criterion is non-agricultural incomes. As a result of wage increases, these rose by an average of 17.3% in the Europe of the Six over 1974, ranging from 13.7% in Germany to 21% in Belgium. Price increases were more severe in 1974 than they had been in 1973, and it is clear that the 1974 prices will continue to affect actual price trends in 1975.

Average figures can in fact lead to a certain underestimation. COPA speaks of 21% in 1974 and 14% in 1973; the Commission, on the other hand, speaks of 18% in 1974 compared with

13% in 1973. It would, therefore, have been reasonable if the Commission had taken greater account of the faster rate of increase in 1974, which will continue to affect 1975, when making the price proposals.

The third criterion is the price increases granted in 1974. The Commission claims that 8.5% in March and 5.2% in October represent an effective increase of 14.5%.

Yes, one can get away with all sorts of things on paper. But the Commission cannot make us believe that a price increase with effect from October produces the same results as a price increase with effect from March! If we calculate what the price increase of 5% granted in October actually represents over the whole period, it works out at barely 2%. It is all too easy to say that 8.5% plus 2% equals 13% or even 14%.

The price increases granted did not even directly affect the market. In the period from 1 July 1973 to 1 July 1974—these data are taken from the Commission's memorandum—the actual market prices dropped by an average of 4.7% in France, 7.7% in Germany and 11.4% in Belgium. According to a study carried out in the Netherlands by the Agricultural Board, incomes are as follows: non-agricultural incomes within the Community rose by 16 and 17%, reaching 6 500 u.a. in 1974. I am sure you will admit that the average agricultural income is by no means as high.

We have no definite figures for Germany yet, but the outlook for that country, and for Italy, is unfavourable. The drop has been estimated at 5 to 7% in France and 8% in Belgium over the period 1973/74, and we fear that the figure for this year may be as high as 20%. There has been an increase of 4.1% in Luxembourg. The situation in the United Kingdom is as follows: there has been an increase for cereal producers, while the level for milk producers has remained the same and that for meat producers has shown a fall. I might quote some further figures: in the Netherlands -20% in 1973/74 and a further -12% in 1974/75; in Ireland a considerable drop; in Denmark -15%.

All in all, it was not very clever of the Commission to base its proposals on increased productivity in agriculture, in view of price trends such as these, which were further aggravated by the really exceptionally bad weather conditions in the autumn. For this reason, I can only applaud the attitude of COPA. As long as agricultural incomes remain lower than those in other sectors, all the benefits of increased productivity should accrue to agriculture itself.

Another criterion is the state of the market for agricultural products. The situation is character-

Martens

rized on the one hand by high prices for some products, particularly bread, cereals and sugar, and on the other by rather low prices for animal produce. We support the Commission's proposal in the end because there are other ways of increasing farmers' incomes apart from granting price increases whenever possible. In my view, there is little point in proposing large price increases for meat if the market cannot bear them.

Incomes may therefore be improved by raising the prices for cereals destined for use in bread making, sugar and, in my view, milk, although Mr Lardinois does not agree with this. I think I can safely say that developments in the dairy produce market have been fairly favourable and I think that the stocks will probably be well under the 50 000 t mark by the end of March or April. True, there is the problem of dried milk, but nevertheless potential outlets do exist. Too many people think that the drops in meat prices have only affected the meat producers, but it is clear that the milk sector and the dairy cattle sector which needs to sell calves, lean cattle and cull cows were at least equally hard hit. We can therefore expect nothing from that quarter that will improve incomes in the meat sector.

I read in another Agricultural Board document that even if the 6 + 4% is adopted, the actual price increase for milk in the Netherlands will only be 5.7% after reduction or gradual abolition of the monetary compensatory amounts. If we compare this with the proposed average price increase of 9%, we find that the effective increase of 5.7% is 3.3% lower than the average increase in costs. It had been calculated that every 1% of the milk price represents a difference in income of 1 000 guilders; thus 3.3% less represents 3 300 guilders less income for a dairy farmer, or approximately 2 500 guilders less for a farmer working on a mixed holding with a preponderance of dairy cattle. This situation will become still worse, since neither the proposed price rises for beef and veal, i.e. 0% for 'standing' intervention and 4½% otherwise, nor the 'slaughter premium' of 30 u.a. per male animal will be able to do anything to improve matters.

I therefore support the conclusions reached by the Agricultural Board. The price proposals are completely inadequate to cover the cost increases for the period 1975/76 and to narrow the gap existing between incomes in 1973/74 and 1974/75. The total price increase for milk must be applied at once as from February 1975. The 15% proposed by COPA is the minimum acceptable figure for cattle farming in the Netherlands, but I should add that if the costs rise to a greater

extent than anticipated in 1975/76, an interim price increase will also be necessary.

The sixth criterion is the general economic situation. Every year we hear more warnings about the inflationary nature of agricultural prices, even now that agriculture has been clearly shown to have had a steadying influence on inflation. We should like to stress once again that, on average, 63% of the increase in agricultural costs is attributable to the costs of the products which the farmer must buy, and 37% is due to the cost of increased wages and his own income. Mr De Koning clearly demonstrated that the farmer is the chief victim of inflation. Nothing has been done, either by the Commission or, worse still, by the Member States, to combat general price increases, which are genuinely inflationary in character because there is no way of reversing them. The food price index has risen less rapidly than the overall price index; food prices to the consumer have risen more rapidly than the prices paid to the farmer, and, as I said before, the consumer has gained practically nothing from the drop in meat prices. The best way to combat food price increases is to strive for a reasonable volume of production by paying the producer reasonable prices.

My remarks concerning the accompanying measures will be very brief. In general I give them my full support, although I am sorry to see that the measures relating to the closure or modernization of holdings have not been improved and that very little work has been done as yet in the field of vocational training and information. In short, the accompanying measures are not sufficient to make up for the considerable inadequacies of the proposal.

The crux of the matter is without doubt the monetary measures, about which there is so much disagreement in the Council and possibly in the Commission too, though this is not necessarily the case. There are certainly differences of opinion on this matter within the parliamentary groups, at least the multinational ones, and between the agricultural organizations in the various countries.

The monetary measures touch on a fundamental problem. I would recall the devaluation of the French franc and revaluation of the German mark in 1969. It was assumed at the time that France would have to make up the 11% in two years and that the 7 or 8% difference in Germany would have to be abolished in not more than three years, but no time limits have been fixed for the monetary compensatory amounts, which were first introduced as a result of a currency floating upwards and later downwards. I regard these compensatory amounts as essen-

Martens

tial as long as the currencies remain unstable, but I also think that we must evolve a system whereby the date for their abolition is fixed at the time of their introduction. I can follow Mr Lardinois' train of thought very well. He says that the system must be abolished once and for all since it is now causing a complete distortion in the workings of the agricultural price policy. We are largely in agreement with this point of view. But I should like to point out that it is not agriculture which is causing this state of affairs, and that this proposal has come at a particularly inopportune moment now that agricultural incomes have dropped so low. I cannot, however, raise any fundamental objections to the proposal.

We should not underestimate the usefulness of this parliamentary debate. On many occasions in the past we have seen the salutary effect of discussing the Commission's price proposals, which are drawn up by officials on the basis of statistical data, in a parliamentary debate since it provides us with an opportunity of hearing the opinions of those directly involved. This does not detract from my firm conviction that the Commission and its officials have carried out these calculations conscientiously, but there is no harm in testing their findings against the actual situation encountered in practice. I am doing this because on more than one occasion in the past the Commission has turned out to have made a mistake.

I will not mention all the proposals contained in the Mansholt Plan of 1968; I will merely point out that if it had been implemented we would now have a stock of at least 2 million tonnes of butter which would have cost us more than 3 000 million u.a. last year alone. One can observe, however, that the number of dairy cattle has not diminished and that we have nevertheless not continually had stocks of this magnitude.

I should like to remind you that in 1968 and 1969 it was being claimed that the price of sugar beet would have to be decreased from 17 to 16 u.a. and that sugar production in the six Member States would have to be limited to 6 300 000 tonnes.

It is fortunate that we did not in fact take this course of action. It was suggested in paragraph 5 that 5 million hectares of agricultural land should be used for other purposes, and the Vedel Plan even went so far as to suggest 25%. Mr Lardinois is now telling us that he could in fact use 15 million hectares more. Personally, I would be happy with 5 million. In paragraph 73 it was said that measures should be taken to discourage young people from entering agriculture, and now we have proposals before us aimed at ensuring

the reverse. Now people are worrying about the rapidly increasing average age of persons employed in agriculture. On 23 March 1971 the farmers had become so exasperated at the crippling price policy that they gave Brussels a good going over. Better prices were introduced that very day.

In 1972/73 measures for encouraging beef production in the Community were very much to the fore, since, it was claimed, there was a world shortage which would continue to worsen. By 1974 we were snowed under with beef!

In 1974 we warned you that the 5% price proposal was too low. The Commission wanted to make the figure 8%, and finally they were persuaded—because national measures had been taken and most probably also on account of the demonstrations—to add another 5%. I am saying all this only to show that it is a good thing that the Commission and the Council occasionally get a chance of hearing what is going on in Parliament.

I hope that the Commission and the Council will take Parliament's advice and improve the proposals, since we are faced with an extremely delicate decision here today; there are substantial differences of opinion within the Council and within Parliament too. We must keep a cool head and try to reach a compromise. If we do not succeed in doing so, we will be steering a straight course towards a return to nationalism in agricultural prices, and this will be the last time we discuss this matter here; then the edifice of European economic integration will start to crumble and difficult times will be in store for us.

This Parliament has proved its maturity in recent weeks. I therefore trust that Mr De Koning's motion for a resolution will be adopted with a large majority.

(Applause)

President. — I call Mr Laban to speak on behalf of the Socialist Group.

Mr Laban. — (NL) Mr President, we shall continue in Dutch for a little, although this particular bird is going to sing a slightly different tune from the last.

Mr Group too regards it as a particularly encouraging start to the first Irish Presidency of the Council that the President has chosen to attend our debate in person. We feel this is a welcome development which should be imitated in the future. I should also like to thank my colleague, Mr De Koning for the work he has done in drawing up the motion for a resolution and the lucid manner in which he introduced it.

Laban

The last major agricultural debate in the European Parliament took place in this chamber in September 1974. On that occasion we had to come to a decision concerning the notorious interim price increases. These were inevitable on account of the exceptional increases in the cost of the major means of production, such as energy, animal foodstuffs, artificial fertilizers and pesticides, which coincided with the collapse of, *inter alia*, the meat and poultry markets, thus leading to major problems in the various production sectors, and, as this House has been reminded once already today, these problems are not yet over.

If the current prices had been maintained at that time, many producers would have suffered a serious loss of income. The difficulties facing agriculture gave rise to a somewhat tense atmosphere, resulting in such things as the many national measures in contravention of the Treaty of Rome. I should like to ask Mr Lardinois today whether all these measures have now been completely abolished. The interim measures were a sort of first-aid treatment, and the price measures under discussion today should incorporate the requisite improvements and any new instruments necessary. It is my task to make a few general remarks on behalf of my Group regarding the Commission's proposal. Mr Frehsee will then discuss a few specific points concerning the consequences in terms of consumer prices and price increases for various products. My Group joins the rapporteur and others in welcoming the reduction of the reference period for cost trends to two years. This offers the possibility of determining prices realistically, which is a good thing, since we must avoid interim price increases if at all possible. This is a good general guideline. We also support the proposal that calculations should be based on the cost trend for modern holdings. We approve in general of the method of calculation used, particularly the fact that the inflationary situation in Italy has partly been taken into account; we know that this situation has been compensated for to a considerable extent by the application of the representative rate of the green lira.

We also feel that we should adhere to the point of departure which we approved last year, *i.e.* the deduction of increased productivity from outside agriculture. We should not oppose this with the hardly salient argument that there may be further increases in the costs of means of production in 1975 or bad harvests for various products in various parts of the Community resulting from unfavourable weather conditions. If we start resorting to this kind of argument, there is no knowing where it will end. As far as this last point is concerned, *i.e.* weather con-

ditions, we regard them as a normal business risk, and the farmers, and certainly their organizations, surely regard themselves as agricultural businessmen who must secure their incomes from the market. I should nevertheless add that if there are really disastrous conditions, such as long periods of rain, heavy hail or extended periods of drought in certain parts of the Community or particular Member States it would, in our view, be right and proper for the Member States to introduce measures at the national level. There is nothing in the Treaty of Rome to prevent their doing so.

Any price increase occurring in 1975 should, in our view, preferably be reflected in the price proposals immediately following them, according to the normal methods of calculation.

The Commission has arrived at an average price increase of approximately 9%, and I do not think anyone will be able to deny that this figure has a certain arbitrary flavour about it. If one then considers the different financial and economic situations in the nine Member States as reflected in their stronger or weaker currencies, slight or severe inflation, or the different market situations and the fact that besides good, modern holdings there are also a great number of marginal cases, the difficulties become obvious.

The situation within my Group is the same. We are a Group in which various countries are represented, but, in spite of this, we have managed to reach a common viewpoint, as reflected in Amendment No 20 which will shortly be explained in greater detail. For the moment I should just like to point out that if this amendment is not adopted, it will considerably affect the final attitude of our Group to the motion for a resolution as a whole, since for most of us the present wording of the extremely important paragraph 1 is too inflexible to be accepted.

My Group would like to compliment the Commission on not restricting itself exclusively to price proposals, in that it submitted a package of price measures, structural and political measures, and agri-monetary measures.

I should like to make a few brief remarks on these proposals. We support those concerning aid to young farmers, but what we regard as still more important is the fact that the Commission urges the Council to approve the Directive concerning hill farmers and farmers in less-favoured areas, representing an area of approximately 27 million hectares of agricultural land, at the same time as it approves the price proposals, and I should like to draw the attention of the President of the Council, who is here today, to this matter. Those Members of Parlia-

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ment who find the price increases somewhat on the low side should also take this type of structural measure into account when defining their views on the proposal as a whole. I assume that the entire Parliament will support Mr Lardinois' proposal that the decisions on the price proposals and on the proposed measures for hill farmers and less-favoured areas should be reached simultaneously.

Continuing with the question of structural measures for a moment, my Group wholeheartedly supports the paragraph in the motion for a resolution of the Committee on Agriculture asking that the amounts laid down in the existing structural directives be adjusted to the devaluation of currencies; we have made a request to this effect before, and I should like to ask Mr Lardinois to make a start in this matter.

Mr President, the European Parliament has always regarded monetary compensatory amounts, which are designed to maintain the common agricultural market by artificial means, as a necessary evil, and has, therefore, always strongly urged that they be gradually but systematically abolished, and has supported the Commission in any proposals to that effect. Various things were done last year, but mainly in connection with currencies on a downward trend since intervention here is always a little easier in practice than in the case of revalued currencies, because the adjustment of the representative rate of the currency concerned then leads to price reductions for the producer. It is an established fact that, in the longer term, revaluation is an advantage to producers, as the rapporteur himself has just pointed out. We feel, therefore, that monetary compensatory amounts for the Benelux countries and the Federal Republic should in fact be discontinued. But the question is—and this is a point which interests my Group too—whether or not the Commission is asking for a little too much. With an average price increase of 9% and in view of the political situation in Germany, 5% of the 12% is perhaps too much of a good thing. My Group feels, therefore, that there is much in favour of the compromise proposed in the motion for a resolution. In view of the position of the Benelux countries, a limit of 3% for Germany would make it reasonable to maintain the monetary compensatory amounts for them too in the coming seasons, certainly in view of the fact that in 1973 the Netherlands decided to forego monetary compensatory amounts after a 5% revaluation, which, incidentally, was one of the ways in which it helped to maintain the Benelux customs union without compensation for the agricultural sector. In our view, the Commission's 3.5% adjustment of the green franc, in

accordance with certain conditions, can be increased to 6% in the light of the current French agricultural situation. However, I must repeat that my Group wholeheartedly supports Mr Lardinois' basic arguments with regard to the system of monetary compensatory amounts.

Many members of my Group cannot agree with the paragraph in the motion for a resolution dealing with the milk price. Mr Frehsee will discuss this matter shortly; I shall merely say that some members of my Group support the Commission's proposal, but only with the proviso that, if milk production does in fact increase too rapidly, as we fear it will, the Commission will not hesitate to make actual use of the instrument enabling it to extend the milk price year. I hope Mr Lardinois will confirm this. I should also add, however, that we regard the financial consequences for the agricultural fund, i.e. 120 million u.a. according to Mr Lardinois, as an extra argument in favour of our rejecting the wording of the motion for a resolution as drawn up by the Committee on Agriculture.

To repeat what many have already said, this will be a difficult debate, since it involves many interests, many products and various countries. Opinions differ within the various Groups and the Council's job will be no easier. I give my support to what Mr Martens has said, but if I do so it is because of my conclusion that the European agricultural policy—and a considerable part of the Community customs union with it—is in fact at stake. Together, they still form, and I agree with Mr Martens on this point, the backbone of the European Community. If we fall back on our individual Member States, we can just forget about the common agricultural policy. Producers and consumers would then discover what the European agricultural market, with all the inadequacies which we all know exist, in fact means for the European Community, and the European producers and consumers. I think, therefore, that the European Parliament should adopt a clear opinion on this matter if possible. We can express the criticisms which may be levelled at each of the paragraphs both in our speeches and by the way we vote, but if in consequence everyone concludes that he should vote against the motion for a resolution as a whole at the end of this debate, we will be left standing here bewildered and empty-handed.

Of course, when we come to vote we should act as we feel we must after considering the proposals in the light of our own views on agriculture and our general political opinions. If the proposals clash fundamentally with our views, we must, of course, vote against them; there should be no misunderstanding on that score.

Laban

I hope, however, that the Members will weigh the matter carefully and that Parliament will be able to close this debate by reaching a carefully considered opinion.

(Applause)

President. — I call Mr Baas, to speak on behalf of the Liberal and Allies Group.

Mr Baas. — (NL) Mr President, it is clear that extraordinarily little changes in this Parliament. For years now the Commissioner with responsibility for Agriculture has been a Dutchman, and the language used by the three main groups in this Parliament to expound their views on this subject has been Dutch.

Price fixing for certain agricultural products continues each year to be a climax in the Parliamentary debates. The differences of opinion between the Groups and between the Members from the various Member States are often self evident. In the past it has often been possible to reach a compromise by making a financial gesture in favour of a particular product or country after a long marathon, but today the financial means at our disposal are limited; the depleted common purses are closed, at least for this kind of compromise. The citizens of the various Member States, faced with high taxation on the one hand and ever increasing unemployment on the other, are not prepared to make further sacrifices and, what is much more serious, no longer understand the situation.

The governments and the political parties have not achieved their objectives, neither have they done enough to make the facts clear to the citizens. The restructuring of the economy, and hence also of agriculture, has not become a reality, and as regards most sectors has scarcely even been discussed. The debate on direct elections for this Parliament was a highlight. The consequences will have a great influence upon the attitudes of many Members. We will now see whether we are indeed attempting to build a community, or whether we are still trying to achieve results for which we will be fêted at home as protectors of regional interests. Is an elected Member of Parliament prepared and in a position to assist in the frequently unavoidable restructuring which must be undertaken in a number of economic activities? 'Intakes' of Members of the European Parliament have often clearly not been prepared to do this, to say nothing of the Council or some members of the Commission.

If we expect directly elected Members of Parliament to be prepared to work towards building a future economic community, history's judgment of the present period in the unification

of Europe will be harsh. Our debates in Parliament and in the Commission frequently reflect strong regional preoccupations. In my opinion, many of us have been playing with marked cards even in the discussion on prices.

Positions have been adopted and viewpoints defended. How can one commit oneself to the idea that prices must not rise too sharply, because this would constitute a danger to stability, and at the same time calculate statistically that farmers' incomes are falling in terms of real value and in relation to those enjoyed by other sections of the population?

The attempts to strengthen the impression that we still have a single common market by means of price fixing and to determine the economic yield by means of prices, thereby causing production to increase or decrease, are largely cancelled out by countervailing charges accompanied by Community and national subsidies, so that we can no longer expect any restructuring of production. The common agricultural market no longer exists. Anyone who claims that it does, has either failed to understand the situation or is trying to defend a myth. We still have free movement of agricultural products within the Community and industrial products can still be sold freely subject to certain restrictions. But for how long? Is the rapporteur right in claiming in Paragraph 19 of the motion for a resolution, that 'in view of the divergent cost trends in the Member States, the adjustment of certain 'green currencies' in a number of Member States must be aimed at, with as a first intermediate step an increase of around 3% of the representative rate of the 'green D-Mark' accompanied by an extension by one year of the direct compensation made through VAT in connection with the 1969 revaluation'? Was the VAT compensation subject to a time limit? Is it correct just to speak about the 'green D-Mark'? Are not the levies and compensations elsewhere also a danger to the singleness of the market? Perhaps the compensations and levies will make us realise the true nature of the situation. Could not these obstacles perhaps act as a kind of brake, so that we need no longer aim for an adjustment in exchange rates as part of a stability policy?

The clause in the preamble to the motion for a resolution, 'whereas the adverse effects of the continuing financial instability on the common agricultural market can only be overcome by genuine progress towards economic and monetary union', has over the years become a familiar refrain in this Parliament.

We do, of course, agree with this view, but that changes nothing. We simply cannot believe that we are in fact working towards economic and

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monetary union. The increasing disintegration of the agricultural market is a reality. The levies and compensations might perhaps fulfil a function as a political instrument, and they should not therefore be discontinued.

I should like briefly to discuss the comment made by Mr Lardinois to the effect that he had brought a new element into the discussion, i.e. the problem of the 10%. In itself this was indeed an interesting piece of information and as such was worthy of consideration in the debate, but Mr Lardinois did not tell us what abolishing the countervailing charges would entail, or demonstrate what effects it would have on agricultural incomes. In other words, it has not yet been proved that restructuring at the national level subsequent to revaluation will in fact have the consequences which one would theoretically expect. Would you like some proof? The incomes situation in German agriculture is the worst in the Community. These are, in my opinion, the hard facts which you must take into consideration, Mr Lardinois. If you want to show what the consequences of abolishing monetary compensatory amounts will be, I think you should also look more closely at the consequences for incomes than you have up to now. Until we achieve economic and monetary union we can expect the revaluing countries to remain in a sort of *perpetuum mobile*. Unfortunately, we are always having to start all over again. I believe that the consequences of discontinuing the MCA's for the countries concerned would be much more serious than is implied in the Commission's proposal. Mr Lardinois is probably right in saying that unless the monetary compensatory amounts are abolished, there is no possibility of achieving a common Community price. He is right, but he should consider this view in the light of the incomes policy. After all, the price policy continues to be one of the many instruments which may be used in an incomes policy, and until there are some guarantees. I find it hard to understand how people can dismiss the question of what the consequences of revaluation will be, particularly as regards trends in agricultural incomes, by referring to the compensation which this branch of industry has received, or on the grounds that there will undoubtedly be some reorganization at national level within two or three years.

Why is the conflict concerning price increases so fierce? We must adjust to the radical changes which have taken place in the world economy. We approve of the fact that the Community has made food supply its first priority, but must this be at the expense of the producers? I should like to ask Mr Lardinois the questions which were put to the Dutch Minister of Agriculture a few days ago: is the Minister aware of the fact that

the price of wheat in the Netherlands has now dropped to the intervention level? What measures does the Minister envisage taking, or proposing within the context of the EEC, since it must surely be regarded as a matter of the utmost importance that at least the guide price be obtained for cereals? Does the Minister regard the high export levy on wheat as reconcilable with the role of the EEC in a world suffering from food shortages?

I also thought you were not quite right, Mr Lardinois, in putting the consequences of a possible increase in milk prices at a figure of 125 million u.a. It would have been more correct towards Parliament if you had also considered the increased revenue resulting from the high export levy.

The Dutch Minister of Agriculture was also asked the following question: 'Does the Minister regard it as reasonable for the current market and price policy to be forcing wheat producers to bear the entire cost of building up stocks for EEC food supply?'

It can surely not be the intention that in cases of high or low world market prices the intervention price should be the price received by the producer. It would then be logical for costs to be the only criterion applied in determining incomes, but if that were so, the question of shortages or surpluses would cease to play a part in the discussion on price fixing, which would deprive agriculture of the last distinguishing feature of private enterprise, i.e. the bearing of risks.

It was with approval that I heard Mr Laban say that the Socialists also feel that the price should be derived from the market situation. Current trends are, therefore, a considerable cause for anxiety. These trends may well be of greater moment for the survival of this branch of industry as an independent enterprise than price fixing. If this is so, the step to regional prices, to prices for particular production units, is no longer a very large one.

I have no need to go into the question of the market policy in detail once more. In all my speeches in previous years I have continually pointed out that the market policy has not been a success. Mr Martens also quoted a number of examples. I have no wish to attribute all the blame to Mr Lardinois or the Commission, but I do feel that Mr Lardinois' department has not proved capable of reacting suitably to developments or anticipated market situations. We cannot expect any improvement in this state of affairs, in spite of all good intentions and in spite of the proposed measures with respect to the meat market. The price policy is not

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functional and the market policy is not effective. The official machinery reacts hesitantly. This is inevitable. If the policy is not clear one cannot expect the machinery of the Commission to react at all, let alone exercise a stimulating influence on the market situation.

I hope Mr Lardinois will deal with this particular point, which has for so long been the subject of such fundamental criticism, when he comes to give his reply, since, in the end, market policy is one of the factors determining the future of agriculture as an independent enterprise.

The world food situation is a cause for anxiety. What can the Community do to help avoid catastrophes, and not merely seek solutions to our own problems under the guise of humanitarian aid? We have a responsibility to the world of today, but it does not consist of indulging in excesses at low prices when there is a degree of surplus, and only beginning to consider the world around us after we have assured our own existence.

This may sound somewhat bitter, but if we were to take our attempts to achieve stability within the Community so far as to pay little or no attention to the serious situations elsewhere in the world, which make themselves felt on our television screens but not in our wallets, we would be acting as if these grave situations did not affect us personally, and as if the fault lay only with the indifference or inadequate reactions of governments elsewhere or with political situations elsewhere. Internally, our Community would remain divided, but we would join together in shifting difficulties on to the shoulders of others. I am thinking, for example, of the question of sugar and wheat.

We hope that if we stop and carefully consider the agricultural situation at this moment within the Community and elsewhere in the world, it will bring us to our senses. All is not well in Europe. The agricultural policy is often held up as the great showpiece of European integration, but it cannot be used as a facade behind which to hide the disintegration which can be seen all around us. The agricultural sector must seek new initiatives in the market and the economic yield. Opinions differ on this matter, and there are many different political approaches but, as far as the Liberals are concerned, these are the beacons that show us the way.

Finally, we should like to express our great appreciation of the way in which Mr De Koning has drawn up his report and particularly the introduction which, from both the technical and political point of view, was a very accomplished

lead into an unusually difficult debate. We wish Mr Lardinois much power to his elbow. To us, our conception of agriculture as a branch of industry is of greater significance than the continual discussion over 1, 2 or 3% either way. I have therefore purposely refrained from taking part in such discussions, since we Liberals feel that the debate should be conducted at a different level. I therefore hope that the Council will devote more attention to the point I have just mentioned than to the question of whether or not COPA has been juggling with the figures or whether Mr Lardinois has interpreted the figures correctly. I might, however, mention the fact that in the fifties a Belgian cabinet fell as a result of certain statistics. On this occasion the Prime Minister said at one point, 'We tripped over statistics and other lies.' Mr Lardinois, the Community data available to you is, I am sure you will agree, always open to different interpretations. It just depends how the data are used and what one is trying to achieve. You said in connection with the negotiations with COPA that you intended to lay down in an official document the figures to be used and the interpretation of these figures. You should, however, bear in mind that even that method may be used to prove what one wishes to prove!

I hope that Mr Lardinois will deal with this point since I should like to relieve him of the illusion that he can make this kind of agreement with a branch of industry and the officers of a branch of industry. I do not think he is right in believing this. Everyone involved in the discussions must be free to establish his own interpretation and even to choose his own method for assessing prices. These, therefore, are two factors to be considered. My colleague, Mr Durand, will shortly discuss a number of actual figures. Thank you Mr President.

President. — The proceedings will now be suspended until 3 p.m.

(The sitting was suspended at 1.10 p.m. and resumed at 3.05 p.m.)

IN THE CHAIR: MR BERKHOUWER

President

President. — The sitting is resumed.

I call Mr Scott-Hopkins for a procedural motion.

Mr Scott-Hopkins. — Mr President, this is a very familiar sight to me. It happens frequently in my own House of Commons when we have an agricultural debate. The benches are fairly

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empty apart from those who are particularly interested in the subject, and I suspect it may well be the same thing in the Irish Parliament too. I regret that the Commissioner is not here at this moment. I know that he was meeting with the leaders of COPA, but I hope that he will be back in time to hear the main burden of what I am going to say.

May we suspend the sitting—because I do not want to waffle, which is what I am doing at the moment—until the Commissioner comes, because I was going to attack him on the level of figures and so on? May I suggest that we have a five-minute suspension until he comes?

President. — The proceedings will be suspended for five minutes.

(The sitting was suspended at 3.10 p.m. and resumed at 3.20 p.m.)

President. — The sitting is resumed.

The next item is the continuation of the debate on Mr De Koning's report on agricultural prices.

I should like to take this opportunity to extend a warm welcome to the President of the Council, Mr FitzGerald, who has made every possible effort to attend this plenary sitting. He has had to conduct lengthy negotiations on the renewal of the Association. In the meantime the Luns procedure has taken place with the appropriate committees.

I call Mr Scott-Hopkins to speak on behalf of the European Conservative Group.

Mr Scott-Hopkins. — Mr President, I am grateful for this short adjournment, because we now have the honour of having the President of the Council of Ministers with us. Indeed, I cannot remember a debate in this House when we have had such a galaxy of talent honouring us with their presence from the Council of Ministers' benches; and now, of course, our Commissioner, who is always most diligent, is here as well.

May I first of all turn to the speech of the minister who spoke for the Council of Agriculture Ministers?

I was very grateful to him for coming here and for doing that, and also, of course, for sitting through our debate now. He made some extremely encouraging remarks. In particular I noticed one which I think should also be noticed by the House, when he was talking about the difficulties we have had over the past year as far as the farmer's income is concerned and stated that it was his firm intention to see that confidence was restored in the agricultural industry and

that the losses which had been suffered by some farmers in some sectors were compensated for at this coming price review. This can only mean one thing, that there will have to be an increase, not necessarily over and above what is being proposed by the Commission, but a very welcome increase in those sectors where these losses have been sustained during the past year. It is extremely encouraging to hear him say, as well, that he thought there was a large measure of agreement among his friends in the Council of Ministers. One knows full well where the areas of disagreement lie, but nevertheless, as far as prices are concerned, I hope sincerely that his good wishes for compensation of losses, for restoring confidence, will be satisfied when the Council of Ministers eventually—I think it is the middle of next week—meets to reach its final conclusions on the proposal of the Commission as adapted after the debate in this House. We shall remember, not only in this House but throughout Europe, the words he has said here this morning, important as they are, and I am glad that the President of the Council was also here to hear them. I now turn to the speech of the Commissioner and to the report of my honourable friend, Mr De Koning, whom I may take this opportunity of congratulating most sincerely on what he has done, the hard work he has put in and the extremely well-balanced report he has put forward. Mr Lardinois, our Commissioner, when he started, said he did not agree with the contents of the report. I can understand that. But he also then launched into an attack on the farmers' union—that is COPA—following up the remarks of our rapporteur, which I sustain. Our Commissioner attacked the way COPA had been behaving over the past few weeks concerning the difficulty of agreeing on statistics. I must say, Mr President, this was the first time in my short experience of agricultural economics and agricultural politics, that the two sides—that is, the Commission or the civil servants (not the Commissioner) and those very highly qualified economists who work for the various farmers' unions throughout the Community, including my country—failed to agree on the basic statistics on which a price review was going to be based. I am not here to judge, and indeed I cannot possibly do such a thing, but it does seem that there was, as Mr De Koning said earlier on, a wide disparity, when we started looking at these proposals, between the figures produced by the Commissioner and the figures produced by COPA. That gap has been narrowed. But I would not be the one to say that all the fault lies on the side of the farmers' representatives on COPA. I do not think it is fair how the Commissioner attacked the fact that COPA were raising their figures all the time and never

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taking into account any downward changes proposed by the Commissioner. I have a whole mass of figures here, recently given to me by farmers' representatives not only in my own country but on COPA, on the European situation. I will not bore the House with reading them out. But there is still a disparity of views on the starting-point for working out this price review, and I really do hope that the two sides can get together on the bare necessities of deciding how to agree on the basic figures. If we cannot do that, then it is going to be increasingly difficult for us parliamentarians, as politicians, to make up our minds on the right solution to the problem.

This brings me to the other obviously important problem concerning the efficiency factor, or, as we are calling it here, the bio-technical factor, of either 1.5 or 3.3 or 3.4, spread over two years or one year depending on which figure you take. There is no doubt about it, it has been very well argued by Mr Martens, by Mr De Koning and others, that this figure should have been included in this year's price review, that there should have been an increase in order to compensate for the appalling conditions which have been suffered by the farming industry throughout the Community and for the sad losses which have been suffered by many farmers in the circumstances in which they found themselves during this past year. Mr Clinton, when he was speaking as President-in-Office of the Council of Ministers, would, I thought, have underlined the necessity for the Commissioner to revise his views on this. 'Compensation for losses'—those were the words he used; and there obviously has not been a sufficient compensation for losses in certain sections of the Commissioner's proposal in this particular instance.

I do not intend to speak for very long, Mr President, so I will move away from this statistical mess, which has existed, and which still exists in my view. I shall merely say that I hope that that is water under the bridge, that from now onwards the Commission will take particular care, and COPA as well—the fault, I think, lies on both sides, not on one only—to find an agreed basis from which discussion can flow. There will probably be disagreement as to the interpretation. There always is. But let us start for heaven's sake from an agreed basis. And I do not believe we have done that this year.

May I now turn to the issues which I think are important—that is, beef, milk and the monetary compensatory amounts. I shall first of all deal with the beef situation, referred to in my honourable friend's paragraph No 3. Incidentally, it was interesting to see today the comment in one of the United Kingdom newspapers about the attitude of our colleagues in France, who

seem to be recommending that we should move nearer towards the idea of national aids in this particular field. There is no doubt that it is the livestock sector, primarily the beef sector, which has suffered the greatest losses during 1974, following the escalation of prices which started in 1973—and when I say escalation of prices, Mr President, I am referring to the costs of materials—the input, if one wants to put it that way.

The Commission, for its figures, has taken the actual increase in costs—which on the whole seem to be agreed on both by COPA and by the Commission as regards the input, although there is a small disparity here of 1 or 2 per cent—over the last year. But at the same time, the figures that the Commission has been forced to use, and I do not throw any bricks at them for doing this, in their calculation have been the increases in prices which have been institutionally set: target and guide price.

The Commission has worked out the increases in costs on the one hand, which are actual, real, and on the other hand, the guide and target prices; and it has said the difference between the two, bearing in mind the various additions that have taken place in 1974, is so much, and therefore the compensation must be this difference, or as near to it as is possible. But that is not what has happened, as the right honourable gentleman, the Minister, will know: in point of fact, in nearly all our countries the livestock producer has not received anything like the guide price. In my country prices have been on the floor. There are special circumstances that I will not go into. But in his country, in southern Ireland, exactly the same thing has happened, and in other countries of the Community too. So there is no relation, or only a very small relationship, between the actual price realized in the market place by the farmer and the target and guide price on which the Commissioner has rightly based his figures. I do not, as I said, quarrel with the fact he has had to do this. But bearing in mind what the right honourable gentleman has said about compensating farmers for their losses, this particular sector is going to need a great compensatory factor built into this particular price review when the Council of Ministers finally decides it.

I would suggest to you, Sir, and to the House that the words which are used in paragraph 3 and in paragraph 4 do in point of fact underline the necessity for a greater increase in that sector than has been proposed, if the compensation is going to be adequate and confidence is going to be restored.

Indeed I would hope that not only will there be, as it says in paragraph 3, a price mechanism but

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there will be a more flexible approach as well, as indeed seems to be the French view at this moment.

There are other kinds of aid that can be drawn upon to support the price mechanism. If that is not done, then indeed I think there will be a further loss of confidence among the beef producers.

The Commissioner said in his speech that he thought prices were slightly moving up in the beef sector. Indeed they are. And the reason for that is quite simple. The lack of confidence has meant that there has been a tremendous slaughtering of young stock and young animals, and, mark my words, Mr President, by this time next year there is going to be a tremendous shortage in the industry. Unless we can restore confidence now, this shortage is going to be even more acute this time next year than it probably will be in the autumn of 1975.

Turning quickly to the subject of milk, I have found that the case varies from country to country. I can quite understand the fears expressed by various other honourable gentlemen who spoke earlier on, particularly the representative of the Socialist Group, Mr Laban; but we do not want to have a surplus of milk and a mountain of butter at some later stage. Nevertheless, and here I speak purely with regard to the dairy producer not only in my country but elsewhere, there is a grave danger that if we do not also restore the confidence in that sector, which affects the beef farmer as well, there will be a further dramatic cutback in the amount of milking cows throughout the Community, in the amount of heifers in calf which are brought into the dairy herds, and this would be disastrous in the longer term. True, we have a surplus at present in some dairy products. Then I would say to the Commissioner, our disposal techniques in the European Community need looking at again—disposing from intervention not only in the beef sector, but also in the dairy sector. Are we really selling enough overseas? Are we really getting down to the job of seeing what can be done with third countries, what we can do as far as food aid is concerned with our dairy products if a surplus is liable to build up? I believe it is essential to restore the confidence in the dairy sector as well.

There are various other matters, Mr President, which I will very briefly touch upon, such as the needs in the horticultural sector mentioned in paragraph 9 of my honourable friend Mr De Koning's motion for a resolution, and I hope the Commissioner will come forward with proposals. I am glad to hear that he hopes by April 1 to help the glasshouse producer by compensating

for the increase in oil prices which he has had to suffer. This is absolutely essential if we are going to keep, in the northern part of the Community, a glasshouse industry. Otherwise these producers will be completely priced out.

Then there is the question of the help to young farmers. This sector is very small—as the Commissioner said, only 150 000 people. There are very few in my own country, but nevertheless if you join it on to Directive 72/159, this aid is yet another small step in the right direction towards helping to restructure the industries of agriculture throughout the Community and helping those—a very small sector—who need help particularly.

Turning for a brief moment towards the monetary compensatory amounts, about which there has been a great controversy, I stand, and I find that my group stands, slightly on the outside of the main controversy which is now going on. There is no doubt in the figures that I have seen, Mr President, that the German farmer has suffered losses during the past 18 months, notwithstanding the fact that, as the Commissioner said, because of revaluation their prices are at 112 as opposed to 100. There is no doubt about that, and that therefore if there were just a straight increase of 9.7 per cent they would be getting a higher increase because of the impact of revaluation. Therefore an adjustment should be made of 1.1 or 1.2 to bring it down to the required level.

My group firmly believes, Mr President, that as long as we have monetary compensatory amounts there will be an imbalance throughout the Community. This leads to unfair competition as far as our own farmers are concerned, particularly those in countries where there has been devaluation, as the Minister will know, such as his country and mine and Italy as well. Therefore we firmly believe that the monetary compensatory amounts should be reduced. The point at issue is: how quickly? I go along with my honourable friend the rapporteur's view that perhaps the Commission is trying to move just a little too fast. Therefore we support the views put forward in Mr De Koning's report and we shall vote for it. I am sure that in principle what the Commission is trying to do is the right thing, but until we can abolish these monetary compensatory amounts, this imbalance will occur the whole time.

In conclusion, Mr President, I believe that the balance which is being produced by the Commissioner is about right. I think the level of compensation to certain sectors of the industry is woefully lacking in some respects, and this is why I wish to amend paragraph 1 of the motion. I bear in mind the words of the right

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honourable gentleman when he opened his speech: that compensation is needed for those sectors which suffered the losses. This House, the Commissioner and indeed the right honourable gentlemen in the Council of Ministers must take action that will, after the price review next week, restore the confidence of the industry throughout the whole of the Community. Farmers today are worried, are anxious and are looking to us all, all the three elements here, to see that their future, their income, their livelihood is safeguarded in the years to come.

If we do not do so, then indeed we shall be guilty of failing in our duty towards a very large sector—a very important sector—of our constituents throughout the whole of the Community.

(Applause)

President. — I call Mr Liogier to speak on behalf of the Group of European Progressive Democrats.

Mr Liogier. — (F) Mr President, Mr President of the Council, ladies and gentlemen, the proposed increases in agricultural prices for the marketing year 1975/76 are on this occasion of exceptional importance.

The adverse weather of the last few months, the world food crisis highlighted at the FAO Conference, the structural surpluses which occurred in animal production as a result of the prolonged opening of our borders, all these factors have been prejudicial to the incomes of our farmers, to the extent that agricultural incomes unfortunately no longer stand comparison with incomes in the other economic sectors.

This situation even makes the modernization of farms impossible. To put matters right it would surely have been necessary for the Commission to propose courageous measures providing encouragement for our farmers. This is unfortunately not the case, for the proposals are only designed to meet the present situation and do not form part of an overall policy.

We are obliged to note that instead of seeing the tremendous increase in production costs being offset, if only partially, by higher prices, our farmers have in many cases had to accept falling prices in 1974.

The very real progress which had been achieved in previous years in closing the gap between agricultural incomes and incomes in other socio-professional categories has therefore been completely undone by the events of 1974, and the Commission's proposals do not even provide a

proper adjustment, let alone the necessary increase in the purchasing power of farmers, who continue to run up debts at a time when credit — at interest rates which have reached dizzy heights — is practically beyond their means.

In its calculations the Commission has even refused to allow them to benefit from the increase in productivity which they were able to achieve, i.e. 3% for the two years under consideration. The Commission has thus confined itself to short-term prospects, market prospects, when it should have in fact been aiming higher and looking further. There can, after all, be no doubt that we have entered a period of world shortages which will tend to spread, and one does not need to be a great prophet to forecast that these shortages will become more and more acute in the years to come.

Logically, these facts ought to have led to the Community's farming receiving maximum encouragement, not just to allow it to satisfy its own needs but to exorcize the ghost of hunger in the world, too. Our farmers have instead been greatly discouraged. The price increases proposed, which represent an ever greater deterioration in their incomes, are not likely to put things right. We have read and listened to most attentively the arguments put forward on the one hand by the Commission and on the other by the COPA. While we refuse to get mixed up in the wrangling over figures and do not wish to analyse their criteria right down to the last comma, we must in all honesty say that in our view it is COPA which is right, its realistic analysis of the situation agreeing for the most part with our analysis. This makes it unnecessary for us to make a detailed study of the situation, since our colleagues are in possession of the relevant documents.

This was also the case last year — and events proved us right, since it became necessary, in the course of the year, to make desperate last minute readjustments as a result of a situation which was threatening to get completely out of hand.

Have we forgotten these lessons so quickly?

In order to justify its point of view, i.e. an increase of 9.15%, the Commission has been careful, and it does not deny this, to take only modern farms into consideration, i.e. those likely to produce at the lowest costs, in view of their advanced mechanization, easily workable and highly productive land and their large surface areas which allow loss of time to be reduced to a minimum.

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Farms like these are, however, still fairly rare in our Community, but those which do exist are having enormous difficulty just in holding their own, owing to the increases in the price of animal feedingstuffs, fertilizers and energy products alone. What then is the situation like for the others, the vast majority?

The Commission does in fact seem to be aware of the modesty of its increases, at least as far as beef is concerned, since it has decided to grant a yearly direct aid of 30 u.a. per animal to beef producers. I doubt very much whether this aid will even be a sufficient incentive to maintain cattle stock at the present numbers, let alone bring about the increase needed.

Mr Hunault will be telling you in a few moments what he thinks, and what our Group thinks, about Community policy regarding meat in general and beef in particular.

In addition to its price package, and in connection with it, the Commission would like to see the Directive on hill farming and farming in less-favoured regions implemented. This Directive was brought before Parliament in early May 1973 and at that time I stated the position of our Group. We are not opposed, far from it, to the system of direct or indirect aid, which may take many different forms. There is first of all aid which applies to a particular product, and to all corresponding producers. But what we have here is more like a kind of oxygen tent, i.e. useful until a complete package of measures takes full effect, or until a situation believed to be temporary and due to the present economic crisis puts itself right. This is true for animal breeding. There is also aid which applies to specific regions, where, for example, keeping the cattle outside necessitates the maintenance of the pastureland. This applies to the premium to grazing cows, dear to the heart of our friend Michel Cointat. Finally there is indirect aid, over and above direct agricultural aid, to less-favoured regions, which may take the form of structural improvements, improvements to roads, snow-clearing, water supply, electrical installations, the telephone system, or the promotion of tourism and commercial, craft and industrial enterprises.

All this is not without interest, but requires serious study which does not fit at all well with this last-minute, indeed desperate, presentation of texts which we are asked to vote on at great speed and which we do not have time to analyse as seriously as we should.

I note, however, that the Commission's proposal of a direct aid of 30 u.a. per male bovine animal over and above the price increases, is not new, as a provision to this effect already exists in the

hill-farming Directive which came out in 1973 and which the Commission is taking up again today. But I would like to ask the Commission whether these two premiums for less-favoured hill regions will be added together. Furthermore, in these regions the goat or sheep stock, and perhaps also the pig stock, benefited from the premium according to certain fixed percentages. Why has this just provision not been included in the latest price proposals? And why are female bovine animals excluded in both cases, since it has been proven that in hill areas breeding is generally mixed, and that after all cows produce calves whose meat at least has the advantage of being healthy?

In any case, all this seems very patchy to me and suffers from a singular lack of coordination. Is there not a risk that the long vacuum of the past may now be replaced by saturation? I am referring to this excessive fragmentation, with aids of all shapes and sizes overlapping and duplicating each other, while remaining at the same time differentiated and sometimes having similar aims and sometimes different ones; I am referring in particular to the Social Fund, the Regional Fund, the special fund for hill areas and less-favoured regions, resulting from this Directive, and heaven knows how many more. All this makes one dizzy and forces me to ask the question how they will be financed. What are, in other words, besides the 'Mansholt' reserve, for farm structures, the reserves available for these various purposes, and what others are in prospect?

As for the prices proposed for the individual products, we cannot accept them without betraying the cause of the Community's farming.

In various speeches I have had the opportunity of stating the feelings of our Group as regards certain products: others deserve our attention too, since they concern numerous producers.

As far as dairy products are concerned, it is beyond question that it would not be reasonable to tie prices to existing stocks of dried milk, stocks which could well be considerably reduced if people were willing to use a little imagination at a time when our protein requirements are enormous and when we must also think about aid to developing countries. Not so long ago we had the famous 'butter mountain'. The mountain has since melted and now — who would have believed it — we are faced with a shortage. If consumption is stimulated further, we shall have to stimulate production, which has become incapable of coping with requirements.

As regards wine, fruit and vegetables, the situation is admittedly different. As to wine, the

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representative of the Commission is anxious about the tens of thousands of hectolitres of table wine which no one will know what to do with by the end of the year. It is doubtless a little early to suggest a figure, but I agree with him that there will be a surplus. Now what is happening at the moment? The merchants are buying a lot of wine but mainly of inferior quality. The cooperative producers who can testify to this are not likely to oppose it since they of course want to get rid of their poor quality wines, those which cause them the most trouble as regards conservation and so on, and to keep their better wines. Doing business this way certainly won't help to promote table wines, which are already subject to too much criticism.

Therefore, if distilling, which as we very well know will become necessary, does not start in the very near future, we shall be, and are already, drinking the poor wines, and we shall have to distil our good wines to absorb the surpluses. Surely this is madness. I have already pointed it out, but I do not think that anyone has taken the slightest notice.

Furthermore, storage costs money, as you know. Why then continue to store wine which will have to be distilled in the coming months? In addition, the grape harvest was carried out in very bad conditions this year, and was only saved as a result of extensive treatments, giving rise to a very appreciable increase in costs, which was far from offset by higher production and which fully justifies the intervention and guide prices requested by the farming organizations.

I also believe that Community surpluses are considerably smaller than those being suggested at the moment, provided of course that we refuse to grant import quotas and that, above all, the surveillance of the Community's borders is such that they cannot be crossed below the level of the reference price. Blending is not an acceptable ground for this, since it can only be practised on Community wines and must be prohibited in most cases anyway.

Our position on fruit and vegetables is well-known, it has been stated enough: properly regulated charity begins at home. Here border surveillance is vital, though rather difficult, as I am prepared to admit. The frontiers can indeed not be crossed below the reference prices, but one must consider two quite distinct cases: for countries which are not associate members of the Community, goods must cross the frontier item by item and the importer must prove that his purchases, plus his expenses, actually correspond to or are in excess of the reference price. Otherwise he must automatically pay a duty equal to the difference.

But a different procedure applies to Mediterranean countries like Greece, which are associate members of the Community, which, in addition to being entitled to a 50 % exemption from customs duty, require no more than a declaration by their governments certifying that the reference prices have been respected for fruit to enter the Community by the ton. Now it has been shown time and again that these prices were not respected, so much so that the Community's borders were becoming veritable sieves, with the Community even being obliged on occasion to introduce special taxes — we saw this happen two or three years ago — after discovering that fruit was being sold in the Community at prices well below the reference prices.

For those fruits controlled by a market regulation, like peaches, pears and apples, the safeguard clause may also apply in the event of the domestic market being saturated.

It would, therefore, appear essential to extend the market regulations to other fruits and to certain vegetables.

I am virtually certain that if things were done exactly in accordance with the regulations withdrawals from the market due to intervention would only affect very marginal and almost insignificant quantities, compared to the volume of production. Here too, the increases proposed by COPA are perfectly reasonable.

I shall stop here, ladies and gentlemen, because the speakers who preceded me, in particular Mr Martens, have amply expressed opinions on most of the other products which are fairly close to our own.

In conclusion, I should like to congratulate Mr De Koning on his excellent report, which reflects his command of the vast subject he had to deal with. Like the majority of the Committee on Agriculture, we were unable to share his view that the Commission's assessments of its proposed price increases were well founded and reasonable. The Committee on Agriculture felt that this increase was quite inadequate and this is what it wished to emphasize when it voted for the Martens amendment. Despite the reservations the text submitted to Parliament is, therefore, capable of receiving our approval, depending of course on the eventual fate of the many amendments tabled.

(Applause)

President. — I call Mr Cipolla to speak on behalf of the Communist and Allies Group.

Mr Cipolla. — (1). Mr President, ladies and gentlemen, I share the view of those speakers who, this morning and this afternoon, have underlined that the object of today's debate is not so much to consider a 2 or 3% reduction in compensatory amounts as to give due consideration to this exceptional situation which cannot be overcome with the old methods and old instruments of the agricultural policy hitherto adopted. The problems have taken on such dimensions that radical changes to the entire international agricultural policy are being recognized as necessary both inside and outside the Community. The FAO conference served as a warning to everyone. The economic, social and political factors which formed the basis of the common agricultural policy first drafted at the Stresa Conference and developed by Commissioner Mansholt have now changed.

The present economic crisis is causing a worldwide redistribution of resources and responsibilities, with each nation and each continent acquiring different tasks in a world which must now find a way out of the crisis and reestablish a new equilibrium.

The fact that what we are debating here today is at complete variance with the magnitude of these problems has, I believe, not gone unnoticed by the farming population. When some months ago we discussed a price increase of 5% in this House, farmers from every Community country, represented by organizations of various leanings, came to ask for certain measures to be taken, including an increase in prices, and to protest against the worsening of the situation. Now instead a feeling of discouragement is prevalent and a lack of spirit, as a number of Members, Mr Liogier included, have pointed out. Even farmers in sectors which have traditionally received more, although still not enough, from the common agricultural policy feel that this is not the solution to our current problems.

The Community governments themselves have requested large-scale changes to the common agricultural policy. The first to seek renegotiation of the basis principles of this common agricultural policy as regards relations with third countries and renegotiation of the contributions to the Community budget, was, Mr Scott-Hopkins, the government formed by the party which succeeded in defeating yours, this due in no small way to the Conservative Party's having accepted the common agricultural policy. The German government followed suit.

I am amazed that the document drafted by the German government, which was submitted to us by the Committee on Agriculture — and which severely criticizes the current situation

and proposes what we have been proposing for years, namely that the pricing policy should be supplemented by a policy of direct grants to low-income farmers and that this policy should not be limited to producer prices but extended to consumer prices — I am amazed that such a document of such importance, given its subject matter, proposals and source, should have received so little consideration in this Parliament.

I read this morning in the French press, Mr Houdet, that even the President of the French Republic, who plans to intervene to help the farmers, has stated categorically that a pricing policy is not enough and that a national policy of aid to farmers is needed, albeit after consultation with the Community institutions. Forces everywhere, even our government, the various political forces, trade unions and the Italian farmers' organizations themselves, are now demanding, some more emphatically and some more radically than others, that these radical changes be made in the agricultural policy, changes for which I have campaigned on more than one occasion in this House. The main criticism we Communists have of the Commission, if you will allow me to say so, Mr Lardinois, is that its price proposals do not take into account the changed situation and that it has retained virtually unaltered the policy adopted up to now. I do not deny that there have been certain small concessions such as direct aid for beef and veal or this quaint aid for young farmers, but the Commission has stuck rigidly to the same policy which not only fails to help those who have always been poor, namely the agriculturally less-favoured countries, such as my own, but even those who hitherto have reaped the benefits of this policy. We are almost tempted to believe that by directing the Community along the same lines until 1976 the Commission is trying to hinder, retard or even dodge the issue of revising the overall Community policy as requested by the Council of Ministers following the German 'No' to the 5% increase. To this end the Commission has been asked to present a budget which takes into account the four aspects which we Communists have always insisted on and which are also contained in the Treaty of Rome, namely, farmers' incomes, consumer prices, cost of the common agricultural policy and relations with third countries.

Having said this, I should like to draw Members' attention to the fact that the current crisis merely underlines agriculture's subordinate position in comparison with other sectors since the gap is widening between agricultural and industrial prices and producer and consumer

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prices. We have in our country a disgraceful example concerning durum wheat and pasta, one of the main constituents of the Italian diet and one to which Italians have been returning en masse following the reduction in per capita consumption of beef and veal caused by the measures taken by our government. The producer price for durum wheat up to 1971 was around 80 lire per kg and the selling price of pasta 130-150 lire. The price producers can now obtain is, I must admit, around 150 lire per kg, but pasta has risen to 400 lire (350 lire for inferior quality). Thus, the same farmer who sells wheat to the mill, manufacturer or dealer for 150 lire then has to buy his pasta for 400 lire. And the same applies to all products! The gap between producer and consumer prices has been widening all the time. The same can be said for meat. Even recently, we have had what amounts to an increase in the price of meat of several hundred lire per kg even though producer prices are fixed and well below Community target prices.

A policy based on the Treaty cannot ignore these factors. The situation is even worse if you consider the gap between industrial and agricultural products. Let me give you a general example. The figures supplied by the Commission show that there has been a complete reversal in international and European prices for all vegetable products, i.e. the price of sugar, maize, rice, common wheat and fodder cereals is higher on the international market than in the Community. To keep prices low within the Community it is necessary, and rightly so, to fix export levies. For rice, which accounts for a large part of Italian exports, these levies have reached at times 40-45%.

Against this background, however, we see that industry, which produces the tractors or fertilizers needed to obtain the sugar beet and wheat, is not subjected to any levy when exporting outside the Community. Quite the reverse, governments do their utmost to encourage it, and if you want proof I can supply Montedison's export figures for fertilizers and Fiat's for tractors. I imagine the situation is the same for exports of all industrial products. I am not saying that we have to reach the level of international prices but measures taken in one direction only inevitably widen the gap between industrial and agricultural prices. I want to see agricultural prices remain stable, not increase beyond all proportion. But something must be done for farmers in the less-favoured zones and with smaller farms, farmers who cannot be taken out of production but whose incomes are insufficient. Their incomes need to be supplemented; otherwise their plight will really become serious.

The very measures taken by governments to counter inflation, beginning with the increased interest rates and credit restrictions, are all measures which increase the farmers' production costs. I cannot speak for the other Community countries, but in my country agricultural credit has been practically strangled by the anti-inflationary measures taken by the government. It should not be taken for granted that farmers should be the sufferers in a crisis and that after action taken by governments and the Community their position should be even worse. What good will a 2 or 3% price increase be when we have a whole string of measures working in the opposite direction, making conditions worse for agriculture?

We have already spoken about these measures, these compensatory amounts which have gone further than to destroy the unity of the common agricultural market and relegate agriculture to an even lower position vis-à-vis other sectors, especially in countries which have devalued their currencies and are thus faced with a more difficult situation. Italian farmers are perfectly aware that when they sell they are paid in Italian lire but when they buy they have to pay in German marks or Dutch guilders. This situation cannot go on, we are all agreed on that. Nor can we expect that the currency snake will be restored in an attempt to eliminate these export premiums which contravene the basic principles of the Common Market. Who can say in this House when the currency snake will be restored? Who can say when the situation will change?

The system of compensatory amounts is an ill-chosen mechanism which cannot be justified by the fact that it applies to the majority of products; it must therefore be abolished. I should like to ask the Commissioner, who made certain very serious remarks on this subject, if there is any justification in maintaining compensatory amounts for products, such as cereals and dairy products, for which there is no Community intervention mechanism. Why must there be compensatory amounts in deficit countries from which exports are not conceivable? It is unthinkable, for example, that Italy, which has insufficient butter, should export it to Germany.

The 12% compensatory amount not only affects certain agricultural products but also the processing of these products. It is one thing to fix the compensatory amount for exporting beef on the hoof to Germany and quite another to fix the same 12% for beef on the hoof, since this includes the non-agricultural activity of slaughtering. It is one thing to fix the compensatory amount for the hindquarters, for which selection is necessary, and quite another to fix it for

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boned meat or for food products when the increase in value caused by industry for non-agricultural activity is rewarded as if it were agricultural activity. We thus have a mechanism which has served completely different interests, interests which have nothing to do with those whose incomes it was meant to guarantee, i.e. Bavarian, Sicilian or Apulian farmers.

Finally, Mr President, I was very interested to hear what Mr Cointat had to say on behalf of the Committee on Budgets, namely that these proposals already account for increased expenditure by some 300 million units of account. This will change considerably trade relations between the various countries and the EAGGF and thus this situation cannot continue.

Mr President, ladies and gentlemen, this debate cannot be limited to considering the possibility of a 1 or 2% increase. Any provisional measure will only have even more disastrous consequences. If it is our intention to interpret the feeling amongst the farming population, namely the demand for a united Europe and stable relations with other countries which have been affected by the protectionist measures taken by the Community, this debate must motivate the Council and the Commission to alter course and make large-scale changes to the common agricultural policy so as to bring it into line with current needs. To this effect we have submitted certain amendments and, in particular, one which rejects the Commission's proposals, in the hope that they will prepare the way for a new common agricultural policy in the interests of country and town workers alike, and in the interests of Europe.

(Applause from the Communist and Allies Group)

President. — I call Mr Frehsee to speak on behalf of the Socialist Group.

Mr Frehsee. — (D) Mr President, Mr Laban has already given a detailed account of the Socialist Group's views on the Commission's agricultural price proposals for 1975/76, so that all that is left for me is to stress certain specific points. I should like to congratulate and thank the rapporteur for his very fair, loyal and yet very definite report and draw your attention to the following passage in the explanatory statement: 'the Commission proposal endeavours to save as much of the common agricultural policy as can be saved and at the same time to do justice as far as possible to the function of the common price'. I should like to stress the words 'at the same time do justice as far as possible to the function of the common price'. At another point in this excellent report, we find 'the cornerstone

of the common agricultural policy is the common price, the function of which is to allow free movement of agricultural products within the European Community and to act as a determining factor in achieving the fullest possible harmonization of income structures at Community level. Finally, it should have a regulating effect on the adjustment of production to real demand'.

My Group, Mr President, is in some doubt as to whether this price, this common price, which is one of the main instruments of the common agricultural policy, has done justice to this aim. We would point out that the common agricultural price has actually only functioned in one single year since its introduction, i.e. in 1968. France abandoned the gold parity in the spring of 1969, Germany came with a massive 8.5% revaluation at the end of 1969 and the common agricultural price was in ruins. It has not functioned since then, i.e. in effect we no longer have a common agricultural price. I am not saying this just to be critical, but merely in the hope that this should be realized and appropriate steps taken.

The agricultural price proposals are differentiated, and although this has been said many times before I should like to recapitulate once more. First of all there is a basic increase of 9.7%, but this means 5% less for Germany because of its 12.03% compensation for revaluation, 2.76% less for the Benelux countries because they too have compensation for revaluation and 3.5% less for France on account of its compensation for effective devaluation.

Why, Mr President, has the Commission proposed unequal price increases? It has done so because of the great variation in cost trends in agricultural production. In 1973 and 1974 the Benelux countries and the Federal Republic of Germany showed increases in the costs of agricultural production of around 21 - 23.5%. Over this same period, however, France, Denmark and Italy had increases of over 40% and the United Kingdom and Ireland of well over 60%.

Despite this variation in agricultural cost trends we are now expected to create common prices for farmers in all nine Member States. Since that is, of course, absolutely impossible the Commission was forced to take this step which in my country, too, is extremely unpopular. The question is, Mr President, whether the instrument the Commission uses to fix different prices, which are supposed to take account of the 1:3 ratio in production costs, is the correct one. I personally very much doubt it.

I also feel that the system of monetary compensatory amounts is a result of the fluctuating trends in the value of currencies and the varying rates of inflation.

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It cannot be denied that since the first revaluation of 8.5% in Germany, i.e. since the end of 1969, prices have dropped by the same percentage. On the other hand, France has not increased its prices to the same extent following devaluation. This has, however, been done in Italy to the tune of 33%, in the United Kingdom by 8% and in Ireland by 11%.

This system of compensatory amounts, Mr President, is in my view, contrary to what the rapporteur has stated, being used unjustly to rescue the common price, i.e. the main instrument of the common agricultural policy. The conclusion must be a very unpopular one, so unpopular that I can hardly bring myself to say it. I am speaking on behalf of the Socialist Group which proposes that point 1 should be so formulated that countries in which agriculture has been subject to such enormous increases in production costs should be given more than the Commission proposes, more than this 9.7%, and that countries fortunate enough to have pursued a successful policy of stability and whose agricultural production costs have not risen to the same extent but only by a third as much as in certain other countries—in this case the United Kingdom and Ireland—should be given correspondingly lower prices. This, Mr President, would come much closer to satisfying the objections of Article 39 of the Treaty than this artificial solution that has been proposed, not a real but an artificial solution, and I fully agree with Mr Baas' comments on this point and to the *perpetuum mobile* he referred to.

What are we going to do if this trend continues and we do not reach a common economic policy and thus the margins we have had so far for monetary compensatory amounts are exhausted? What are we going to do then? We must start thinking about this problem now. We have been using pain killers and not curing the ailment at the source. We must therefore start thinking about curing the ailment at the source. It might possibly be, Mr President, and here I might put a rhetorical question to Mr Clinton as President of the Council of Agricultural Ministers, that the idea of a trade adjustment coefficient, which, I am told, came up at the meeting of agricultural ministers, offers a solution.

I listened with great interest to Mr Lardinois' remarks on monetary compensatory amounts and I believe you struck a new note this time, Mr Lardinois. I may be wrong, but I shall have a very close look at these remarks of yours tomorrow when we have them in print. I heard a great deal of elasticity and flexibility in your remarks and a highly positive approach to monetary compensatory amounts which gives me reason to hope that you have also realized the need to find another way, a way out, if the com-

mon agricultural policy is to be saved. Otherwise it will fall apart. This has been said constantly in this House, by myself among others, if I may say so. This development that we are now debating offers ample proof.

We have concrete evidence that the serious warnings heard time and again as regards the common price and compensatory amounts, which, I repeat, are the result of the different economic policies we are pursuing, that these warnings were justified. Some people thought a solution might be a common currency such as the Eurofranc. For heaven's sake, what is the point of having the Eurofranc, i.e. a common currency and perhaps a common monetary policy, before we have a common economic policy, which is what is needed to produce well-balanced costs, even in agriculture? The agricultural ministers and politicians are not to blame for the current disaster; it is the general economic policies to which the agricultural policy has been subjected. At least we cannot blame the instrument that has been created to make a virtue out of necessity, to make many virtues out of many necessities. We have to put the system of compensatory amounts into perspective, i.e. to a certain extent it is also a virtue in that it is the result of the situation and we cannot now abandon it. Instead we must try to find another solution. So much for that point, Mr President.

I should now like to come back to Article 39 as regards these price proposals, and I must say that we in the Socialist Group feel that once again, I repeat, once again, these price proposals do not comply fully with the objectives of Article 39.

It must, however, be admitted that the Commission's proposals come closer to the objectives of Article 39 than do the decisions taken by the Committee on Agriculture. Point 1 of the motion for a resolution presented by the Committee on Agriculture obviously has hardly taken into account the objective, laid down in Article 39, of ensuring that supplies reach consumers at reasonable prices. This resolution is designed almost entirely on the basis of an incomes policy.

You, Mr Lardinois, have at least taken consumers into consideration to a certain extent. Your Commission proposals also contain something to fulfil the objective of stabilizing markets, a point barely touched upon by this motion for a resolution—hence our amendments—and one which is now to be rectified by means of many amendments which we once again find before us. This criticism thus applies both to the Committee's motion for a resolution and to the Commission's proposals.

The Socialist Group deplores the fact that this joint responsibility, which was in fact your own

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idea, Mr Lardinois, has not yet been introduced. You say there is no longer any necessity in the case of butter, nor in the case of milk. We do not agree. After all we do still have 200 000 tonnes of butter. Admittedly this is no longer a dangerous surplus, but the 550 000 tonnes of dried milk cannot be simply dismissed as trifling. We should perhaps at least introduce the formula, which can then be used when needed. This you have not done and this we deplore just as we deplore that so little account has been taken of consumers' interests.

You say that these price proposals will increase the cost of living by 0.66%. I am glad you changed the percentage you originally quoted of 0.5%. Since the cost of food accounts for about a quarter of the cost of living this 0.66% means a rise of approximately 3%, does it not? We all know, however, that this is a mathematical and purely theoretical figure. In spring last year we raised the intervention price, the support price, the so-called guarantee price level for agricultural products by 8% and assumed that this increase would affect the cost of living by 0.4% and food prices accordingly by four times 0.4%, i.e. 1.6%. However, as can be read in the summary of the Commission's report on the situation of agriculture in the Community, food prices showed an increase last year of 5.2% in Germany, which was the lowest figure, 11.6% in France, 22.8% in Italy and 16.5% in the United Kingdom, and so on. We must therefore realize that market regulation prices are not the only factor affecting these percentages and indices.

However, when we, and especially non-experts, hear this figure of 0.66%, we or they must be aware of the far-reaching effects on the food cost index of this increase in agricultural prices. This is why in our amendments we propose that less should be done for milk, sugar and wine than is planned. Mr Laban has already given a part-explanation, but we also have the social aspect to take into consideration. Quite apart from the fact that consumption could be adversely affected as you, quite correctly, say, we must not forget the social aspect. Sugar and milk are basic constituents of the diet of large families where incomes have to stretch further, and these prices are now to come in for particularly high increases. Is 16% justifiable for sugar? Judging by the current costs situation the answer can only be no. Is 10% for milk or, if the increase is brought forward to 1 February, even 11% justifiable? Having decided last year to raise the price by 8% plus 5%, i.e. 13%, which is just beginning to take effect, the Commission now proposes a further increase of 11%, which amounts to a total of 24%. Quite apart from the fact that there are more increases before we reach the final price to the consumer, the price

of milk will have risen by a third within a year and that, in our opinion, is anti-social.

Finally I should like to appeal once more to this House, which, as we all know, since the day before yesterday has taken on increased responsibility. We have been asked to give our comments on these price proposals. On Tuesday we approved a motion for direct elections to the European Parliament. We have therefore declared that this Parliament wishes to accept greater responsibility, and this declaration must make us all the more committed to vote this evening in such a way that the result offers not an artificial, but a real solution to the Council, which is in a very difficult position and has now been debating for four days.

I should not be at all surprised if the agricultural ministers now handed this 'hot potato' to the foreign ministers and they in turn to the Heads of Government. It is an extremely grave problem owing to the fact that the variation in economic trends no longer makes it possible for the common price to do justice to the objectives of the Treaty and to the principles of the common agricultural policy.

(Applause)

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission of the European Communities. — (NL) Mr President, I am grateful to you for giving me an opportunity to reply to the statements made by the Group spokesmen. As I shall have another opportunity of speaking at the end of the debate I shall be brief on this occasion. Now that the political groups of this Parliament have stated their official positions, the European Commission can also give its official reply to these views, which are far weightier than individual declarations.

I should like to begin by considering the remarks made by Mr Martens, who spoke on behalf of the Christian-Democratic Group. Mr Martens said that cost increases in 1974 were higher than the price proposals we are now making.

He tried to demonstrate this by means of a whole string of examples and he arrived at an increase for all products considerably in excess of the proposed average price increase of 9.7%. Obviously this is correct, but we did not base the price increase on cost trends in 1974.

I hope this will become clearer to Mr Martens. We based our calculations on cost trends in 1973 and 1974 together, from which we subtracted the price increases which occurred in 1974. The two increases together were upward of 14%. We cannot therefore disagree because we are using a different basis. The farming

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organizations agreed to the basis we used and I thought Parliament had also agreed to it last September and October.

Generally speaking I cannot help feeling that Mr Martens is rather trying to disguise last October's price increase. He does not include it in the 1975 increases, and he does not really even include it in the 1974 increases. He says that the 1974 5% increase was in real terms only 2%. This is correct, but it obviously does not mean that this 5% will have a full effect on price levels in 1975 and after. So do not let us copy those who want to make up a general wage increase but actually postpone it to the last month of the contract year. This would imply a 24% wage increase, but as only one month is taken instead of the whole year, the wage increase would in fact only be 2% instead of 24%.

This was the case for the year in question, but this 24% was obtained for every subsequent period.

There was something else that disappointed me in Mr Martens' statement. On other occasions Mr Martens' speeches have always given me a great deal of pleasure. But I think that this time he was well below his usual level. He said, for example, that it was a good thing there was still a Parliament which had something to say about agricultural policy, because in the past the Commission had clearly shown that it often got the wrong end of the stick.

Mr Martens revived some old hat from 1968 and talked about cultivable land, a butter surplus of 2 millions, and so on. These sort of remarks are really not up to his usual level. If I were to repeat what everyone here in Parliament asserted in the agricultural debates of the past six years, I should have some far worse things to mention than those referred to by Mr Martens.

Let us be quite fair. The Commission contains only a few prophets, but still as many as the Parliament or the farm organizations. Some people, including the Commission, have made correct forecasts but in my opinion this was more by luck than judgment. You should not say that the Commission is always wrong. Parliament, the farm organizations, the governments, and so on, would certainly not do their homework better. Everybody was mistaken, for example in the beef sector, and when the bottom fell out of the economy owing to the energy crisis. The general expectations in Europe, in the United States, Argentina and Japan turned out to be wrong, at least in the short term. Whether they will ultimately be fulfilled the observers will only be able to tell if there is

an economic recovery around 1980. Mr Liogier declares, for example, that there will be a sugar shortage up to 1980. But few if any will blame Mr Liogier or yourself or anyone else if the situation changes completely in two or three years. But pity the poor Commissioner responsible for agriculture, or the relevant ministers, if they said anything of this kind! It would be better for them never to mention this product again.

Mr President, a final remark about what Mr Laban said. He asked about the national measures of last July. I can inform him that the national measures proposed by the various governments as a result of the difficulties last July and August were approved in part by the Commission. Some of these measures have since been withdrawn by the governments and the Commission has still to take a decision on others.

In other words we have not yet taken up any definite position on some of the measures which were a temporary expedient, but I hope we can before long.

Secondly, Mr Laban said on behalf of his Group that he was in agreement with the rapporteur's opinion on monetary compensatory amounts. I shall come back to this in a minute when dealing with Mr Frehsee's statement.

Mr Baas again pointed out the dangers of 'regionalism', as he elegantly put it, eschewing the word 'nationalism'. On the whole I agree with his approach. He also said with regard to monetary compensatory amounts that both income trends and total income had to be taken into account. He pointed out that farmers' incomes in Germany were said to be lower than in any other Member State. I should like to deny this emphatically. German farmers' incomes may not be the highest, but they are certainly not the lowest. Of course I do not agree with the accusation sometimes made in the German popular press that a farmers' demonstration is nothing but a millionaires' demonstration. But in general I believe that this whole debate is overshadowed by the difficulties and poor results obtained by farmers in 1974. It was a bad year for European agriculture and politically speaking this is doubly hard after a good year, or as in 1974, after two good years. In terms of farming revenue 1972 and 1973 were two of the best post-war years. When this is succeeded by a year like 1974 the people concerned with agricultural policy are blamed even more than when a bad year is followed by another bad year.

This does not mean that we can take all this lying down. But I should like to say why I think the farmers are taking too gloomy a view

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of things after such a year as 1974. There is a subtle difference. As Minister of Agriculture I have also seen bad farming years in my own country, and good years as well. But from the point of view of agricultural policy 1974 was the worst year ever after a good year and even after two good years.

Mr Baas also made a few remarks on marketing policy which he describes as a failure. I can only say that marketing policy can never be a success, and certainly not if we only make one-sided demands on it. But if we make balanced demands, in other words carry out a marketing policy aimed not only at maximizing farm incomes but at striking up a balance between supply, consumer demand and the requirements of the exchequer, the problem will never be regarded in such a biased light as Mr Baas did this morning.

He gave the example of wheat. I know that in Dutch cereal farming the wheat question is one which farmers fail to understand.

I do not wish to answer the questions put by Mr Baas to the Dutch Minister of Agriculture. I think he is capable of doing that himself. But if I may make a brief comment, as regards wheat, Holland and Belgium are in the same climate zone. And the yield per hectare is excellent, the highest in Europe and perhaps in the world. On the other hand there is the great drawback that for baking purposes, for human consumption, this wheat is of poorer quality than in other regions, especially the south, the most important wheat areas in Europe. This wheat will therefore always yield less than the better grades of wheat produced elsewhere.

You say that in the present state of the market farmers are entitled to a guide price. I should like nothing better, but they are only entitled to an intervention price. If you can tell me how, without increasing the intervention price, a higher guide price can be obtained under present market conditions, I should be very grateful.

You must not fall back on a denaturing premium. I believe that Parliament quite rightly prevented the Commission two months ago from introducing a denaturing premium for this year. We have no more money for this; we had some left in our budget but Parliament has deleted this item. After the extension of Parliament's powers, in particular as regards the budget, this has become an extremely serious matter for us.

I should also like to say, Mr President, that I am of the opinion that in the present state of the market, now we are well into the winter, we have more export opportunities than was evident a short time ago. I also think that,

particularly in the present circumstances, we must make an additional effort to export more wheat to the famine areas.

We are working out a special programme for Bangla Desh, which requires one million tonnes of wheat by 1 July. We hope soon to be able to submit a proposal to the Council in order to provide half a million tonnes of this, in this way we shall not only be helping India and Pakistan, but doing a great deal towards helping a poor country like Bangla Desh out of its enormous difficulties. Mr Baas said we are trying to burden others with our own difficulties. This I categorically deny, and can quote other examples to prove it. The day before yesterday the Council took a decision on the Commission's proposal to make available 100 000 tonnes of skimmed milk powder, i.e. in other words one thousand million litres of milk, at half price to charity organizations operating at international level and in the EEC.

These are two measures which we wished to take regardless of the fact that the Ministers of Finance called a complete halt to food aid two months ago, with the result that we had to go to the World Food Conference empty-handed. In spite of this we believe we can see possibilities of making decisions like those I have just announced.

Mr Scott-Hopkins argued that it was important for us to find an agreed basis for our price review. I can tell Mr Scott-Hopkins that just before the sitting began here this afternoon I had another long conversation with the board of COPA. We agreed with the new president to begin setting up in February the technical basis we need to prevent this year's incident from recurring.

Secondly, Mr Scott-Hopkins said that there should be compensation for the losses suffered in 1974. But some of the losses Mr Scott-Hopkins mentioned did not result from the Community's agricultural policy but often from a failure to apply this policy. I take it that Mr Scott-Hopkins agrees with me that the Community is not responsible for losses resulting from this kind of behaviour.

The Community's agricultural policy has a cruder and more approximate effect than an agricultural policy of the type which Mr Scott-Hopkins is more familiar with, the policy formally applied in Great Britain. It follows that it can be applied more flexibly in good years and that a somewhat greater divergency is possible in bad years. If we talk of compensation for losses suffered in a bad year, we must remember that we also apply our methods of calculating price increases after one or two good

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years. Mr Scott-Hopkins said that confidence must be restored in the agricultural sector and particularly the dairy and beef sectors. I fully agree.

But I should also like to point out that confidence in certain Community countries, especially those now in a transitional period, has been shaken far more severely than in countries where the system has been in full operation for years. I hope that it will be possible for confidence to be restored in the new Member States, where it has been lacking, especially in the past year.

In his assessment of our proposals Mr Liogier was very non-committal, not to say negative. He says we must produce much more, because the world is hungry. I quite agree with this in principle. I would also agree to supporting certain production lines more than we do at present. But perhaps Mr Liogier will tell me who is going to pay the farmer for this extra production. When he says that the Community must do it, I can agree with him. The Community can do more and the Commission has also proposed this. But this is not the end of the story. The proposal must also be approved by the Ministers of Finance. As long as they do not provide more national or Community funds for food aid, I consider it responsible to encourage agriculture to produce more, since there is no-one to pay for it. Let me put it in a different way. If famine exists in the world, as it no doubt does, this is not so much a result of the fact that no products are available for the famine areas as that no money is available for the people who need the products so badly. For example, there is still a supply of several million tonnes of wheat and a large stock of powdered milk in Europe, enough to prevent a real famine until the following harvest. But perhaps those who are clamouring for action can also provide the money as this is not now available from public funds.

Mr Liogier also asks whether the premium for mountain cattle and the proposed premium can be added together. This is in fact the intention. In mountain areas, which are also problem areas, the proposer premium is applicable to beef and the general premium is joined to it.

Mr Cipolla combined common sense with demagoguery, with far too much stress on the latter, especially in the first part. I thought his views were sound and sensible and well deserving of consideration, especially his remarks on the monetary compensatory amounts and the fact that they should never have been introduced for certain products. We must not only reduce their effect but cut back the percentage and

even abolish them entirely for certain products. On this point I fully agree with him. But when he talks about the existence of an export levy on rice and the absence of an export levy on tractors, this is playing demagogue.

There is an intervention price for rice but not for tractors. If rice only costs half on the world market, farmers still receive the full price, but if tractors only cost half on the world market no government intervenes. Up to now we have been able to prevent such an absurd state of affairs, but you never know what may happen in the future.

May I conclude with a comment on Mr Frehsee's statement? I gained the impression that as far as the milk proposals were concerned he is in substantial agreement with the Commission but regretted that the Commission had laid less emphasis on its own responsibility than last year. I should like to say to Mr Frehsee: we did not repeat our last year's proposal because the Council more or less threw it out. The principle has been fully maintained, but we have provided for an extension of the milk price year if this should prove necessary, and we have also reserved the right to take supplementary measures. Actually, therefore, we have certainly not gone back on our position of a year ago.

Fortunately the situation in the dairy sector is now a little better. At the end of the winter there will not be 200 000 tonnes of butter in cold storage, but 30 000 or 40 000 tonnes at the most. That is a minimum amount, enough for about a week. There are however some problems as regards powdered milk.

We must therefore take a number of further measures during the next few weeks regarding restitution and implement certain special programme, for example, 90 000 tonnes of powdered milk will be earmarked for 1975. In addition the Council, as already announced, has approved the proposal to make 100 000 tonnes available at half the intervention price to such organizations as the Red Cross, the Food Aid Programme, Unicef, etc. In this way, we hope to find another way of meeting the urgent world-wide need for powdered milk, especially for women and children.

I now turn to Mr Frehsee, who made a few remarks about monetary compensatory amounts. I know he is wrestling with this problem and I gathered from his speech that he understood the Commission's attitude but did not accept it. I have the feeling that he would drop his objections if we stopped using the expression 'monetary compensatory amounts' and proposed a little more for certain devaluing countries and a little less for the revaluing ones. But that is

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exactly what we proposed. The rest is a matter of technique and presentation.

I am glad he intends to make a close study of my statement this morning. He will then notice, for example, that the price increases from March to October, plus the one we are now proposing, actually amount to around 3% more for the Federal Republic of Germany than would have been the formal and official increase. I must also say that we have now come to the end of what is called in Germany 'the green dollar'. I am convinced that after the monetary upheavals of the last two or three years it is high time we started working on the basis of the real value of money and not a fictitious currency which does more harm than good.

(Applause)

President. — I call Mr Früh.

Mr Früh. — (D) Mr President, ladies and gentlemen, in view of the tight timetable you have just announced, I shall have to be brief. There is hardly time for me to thank the rapporteur for his valuable work and for the discussions I had with him—even though we were finally unable to reach agreement on all the questions.

I should like to come right away to the central point of my own considerations and of those of my colleagues by concentrating on the price proposals. Although these are common proposals, their effects will vary because of the associated monetary measures.

It has become clear that these price proposals, which are based on the cost trends in 1973 and 1974, involve one great difficulty in that the cost trends themselves have diverged. I need only recall what Mr Fröhsee said—that the divergence has become as great as 3 to 1—for you to appreciate the enormous difficulty involved in drawing up the price proposals. I feel, however—and I think this must be made clear—that we must not restrict ourselves to considering only the rise in costs over the last two years, which was in any case relatively low in the Federal Republic of Germany and in the Benelux countries. In addition to the costs, which represent only one aspect, we must also consider the trend in producer prices, and the picture is then very different indeed.

The summary submitted to us by the Commission states in connection with producer prices: 'The upward trend observed in 1972 continued in all Member States except the Federal Republic of Germany.' We see that in 1973 the rise in producer prices was lowest in the Federal Republic and highest in the countries with the highest rise in costs. The summary also points

out that, as far as the producer prices are concerned, the trend was reversed in 1974, when prices fell. Again according to the Commission, the country hit hardest by this fall in producer prices was the Federal Republic.

Summing this up in one sentence, I can say in 1973 the Federal Republic had almost the highest rise in costs—only the Netherlands had a slightly higher rate—and the smallest rise in producer prices; in 1974 it had almost the lowest increase in costs—it was slightly lower in the Netherlands—but the largest fall in producer prices. If we consider these trends in context, not simply taking the increase in costs over the two years, and if we use them to obtain the famous ratio of producer price index to price index for means of production, taking 1970 as a basis—and this is, after all, what farmers want to know, i.e. how much their produce will buy them in the way of means of production—the situation in 1973 is that the Federal Republic, instead of coming off best as regards these coefficients, is at the bottom of the list with a coefficient of 97. The coefficient for France, for instance, is 104 and for Italy 112. Taking only the six original Member States for the moment—since this is the system adopted by the Commission—the average coefficient is 104, while the coefficient for the Federal Republic is only 97.

I do not feel that these price/cost considerations at all justify a revaluation of the 'green' Deutschmark, as proposed by the Commission and—I must naturally say this now—as proposed *unilaterally* in the report of the Committee on Agriculture.

Since time is short, I shall deal only briefly with a second point. Is it true, in view of what I have said, that German farmers' incomes are so fantastically high? Let me put it from the layman's point of view: cost increases only one-third of those in other countries; prices 12% above those in other countries. This must be a wonderful state of affairs for these farmers! I will leave aside the short-term trend in incomes, as portrayed in the Commission's report on the state of agriculture, and confine myself to the longer term. Mr Lardinois, you know that if we take the incomes in the various countries in 1968 as 100 and then calculate the increase, as you have done in your statistics, we get two columns of figures, one representing the nominal increase and the other the increase in real terms. I realize that I must not trouble you with too many figures in the short time available, but there are some which I must mention. The nominal increase in incomes in Germany in the period 1968 to 1973—and I think this is the relevant period, since we are reduced to relying on estimates for 1974—was 45%, whereas the increase was much greater in all the other coun-

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tries: 106% in France, 70% in the Netherlands, 88% in Belgium and 103% in the United Kingdom. These nominal figures must, however, still be translated into real terms. The Commission has done this, and we can see that the real increase in incomes—again taking 1968 as base year—was 8% in the Federal Republic, 52% in France and 19% in the Netherlands. The figures for the other countries are also given.

In my view, therefore, these figures by no means indicate that it is justifiable, at present, to differentiate the price proposals by means of supporting monetary measures.

I must unfortunately refrain from dealing with the forward estimates for the incomes trend in 1974, although this is made easier for me by the fact that, in its report on the state of agriculture, the Commission states that the estimates of agricultural incomes for 1974 are subject to a large number of uncertainties, and that all the estimates it has risked making indicate that there will be a sharp drop in agricultural incomes.

It is extremely unfortunate that time is so short, I therefore refer you in this context to the speech made by Mr Baas, who this morning clearly illustrated this incomes trend. The report from the Committee on Agriculture also points out that agricultural incomes should be seen in comparison with those earned in other sectors of the economy. If we take this into account it must be clear to everyone that the gap between agricultural incomes and comparable earnings in other sectors of the population is not the narrowest in Germany, but almost the widest. There are reports from one Land that the disparity will even be more than 50% in the current financial year.

One last point. I refer to the compensatory amounts, which are the source of much disagreement. I know, Mr Lardinois, that this is one item on which your views are completely different. The MCA's are, so to speak, the unloved stepchild of the agricultural policy, since they are the result not of the policy itself but of the increasing divergences between the currencies. These divergencies are, however, a reality, and we cannot make them disappear simply by abolishing the compensatory amounts. I too do not consider this the ideal solution, but it is at present the only one if the common agricultural market is to be kept alive.

There are lots of misconceptions about these compensatory amounts—for instance, that they represent a serious distortion of competition. In reply to this, I can only say that the Commission has not expressed itself very clearly on this point in its report. All it says there is that this

may well be the case. It states further that the effects of this distortion cannot be illustrated in figures. Allow me to quote here the results of an attempt by the German Government to clarify this question. These show that between 1970 and 1973 imports of foodstuffs without compensatory amounts did not rise more than imports of foodstuffs on which compensatory amounts were levied. What is more important, the percentage rise in exports of produce entitled to the full compensatory amounts, between 1970 and 1973, was less than the percentage rise in exports of produce with no compensatory amounts.

In view of the Commission's uncertainty and in the light of these findings, I feel that the much-debated compensatory amounts are likewise no justification for revaluing the green Deutschmark.

To sum up, let me say that at present neither the price-cost trend nor the incomes situation in German agriculture nor the trend in internal Community trade offer a convincing argument—and this is a deciding factor—that the proposed prices should be linked to unilateral monetary measures as proposed in the report.

May I conclude by saying that, in my opinion and that of my colleagues, no start can be made on reducing the monetary compensatory amounts until there has been tangible progress towards the Economic and Monetary Union. I am fully aware that this approach requires more patience, but it also offers a guarantee for the achievement of the common agricultural market.

(Applause)

President. — I call Mr Howell.

Mr Howell. — Mr President, I should like to begin by adding my congratulations to Mr De Koning on the excellent work he has done in presenting this report and the clarity with which he has presented it. I believe, too, that his findings are in the main correct.

I appreciate the immense difficulties with which Mr Lardinois has to cope, and I think he is trying to achieve an almost impossible task. I would say, as a practising farmer in the United Kingdom, that he is highly respected in agricultural circles there and that we have a considerable trust in his judgment. Yet I am not altogether convinced that sufficient increases have been decided upon for the livestock sector. I am not altogether sure that we have passed the worst yet as far as beef production is concerned. I think there may be more difficulties ahead, and I am not at all sure that the award will be sufficient to ensure adequate milk sup-

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plies. It does not take long for mountains to disappear; there is no butter mountain any longer, and milk and milk products may well be in serious short supply. I believe too that we should take into consideration not only the huge price increases with which producers have had to cope in the last year but also the increases which we know are coming, which are certain to come in some sectors, particularly in fuel. I am not in a position to judge whether the Commission or COPA is right in their assessment of the cost increases, but I am glad it has been agreed that this machinery will be tidied so that we have an agreed procedure before the next review.

I want to concentrate for what time I have on trying to think of a better way of dealing with our problems. I have said already that I believe that the Commission is trying to deal with an impossible situation. That the complexity of all the day-to-day decisions covering the whole spectrum of agriculture is being sorted out in one Commission is, I believe, quite wrong, and the Commission should seriously think about delegating at least the main sectors, the sectors of cereal production, of meat production, of milk production and of sugar production. It should hive them off to bodies which are thinking about that particular sphere and which are able to concentrate their entire thoughts in that direction. And I think that if I sense aright what nearly every speaker in this debate has said, they feel that the present system has failed and that a new system must be devised, and devised very quickly, to ensure that this concept of a United Europe is not put in jeopardy.

I think there is a tendency in some quarters to say, well perhaps we must go for guaranteed prices. We in Britain perhaps, and possibly the Irish farmers, are the only people who have had experience of this. And it failed. I believe we shall be making a very serious mistake if we throw up intervention and go back to the system which prevailed in Britain before we came into the Market.

I believe both systems have failed and we must think of another one. In my view, that system is to have statutory marketing production and marketing authorities which will each be responsible for a main sector of agricultural production. I base my belief in this on the success of the Milk Marketing Board in Britain. This was established 40 years ago, and since then it has been the bedrock of agriculture in Britain: it has not only served the producer but has also served the consumer. Furthermore, it has not needed any help from the government at all. At the present moment in Britain there is a consumer subsidy on milk, but that is for reasons

that the present government understands better than I do: it is unnecessary because the Milk Marketing Board has been able to produce a very cheap article, one of the cheapest food commodities in the country.

I believe that the success of the system is the fact that it is statutory. It is essential to have it in a statutory sense, otherwise you would never get the necessary cooperation voluntarily. Neither in Europe nor in Britain has this co-operation occurred in an overall sense, and so I believe that in order to get the sort of thing which we have enjoyed in the milk industry in Britain it must be statutory. For example, all agricultural producers, not only in Europe but throughout the world, are wheat-sellers and must be wheat-sellers, and if they are banded together in the way we have experienced in Britain in the last 40 years, they can give themselves sufficient support without any government aid in the form of special subsidies.

I think this is the way ahead, and it might also help us in this monetary problem between countries. I envisage nine separate milk marketing boards; nine separate meat marketing boards, covering the whole field of meat—pigmeat, beef, poultry and mutton; nine separate cereal boards; and nine separate sugar boards. Then the difference which occurs between countries with divergent economic problems such as Germany and Italy and Britain could be solved by a balancing arrangement in Brussels, by a super-organization which coordinated these nine separate boards. I make this suggestion because I feel it is not enough just to say that we are in difficulties, that the thing is not working. I put this forward seriously as a way out and a way which would lead to greater prosperity not only for the agricultural community but for the Community generally.

(Applause)

President. — I call Mr Hunault.

Mr Hunault. — (F) Mr President, I should like first of all to extend my thanks to the Committee on Agriculture's rapporteur, Mr De Koning, and to congratulate him on the work he has done in committee and on the introductory statement he made this morning.

He set out the fundamental problem thoroughly and with great clarity; inflation, the energy crisis, the sharp fall in meat prices—all three are crucial to this debate.

The facts of the matter may be summed up very briefly. We have inflation as a result of the rise in production costs, which varied between 22% and 61% in the years 1973 to 1974, and there has

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been an increase in capital charges and the provision of services in agriculture.

I make no secret of the fact that I should like to have congratulated the Commission's representative in the same way. Unfortunately I cannot do so, as I was rather disappointed both by the reply he gave this morning and the one he has just given us this afternoon.

He told us this morning that there was disagreement between the Commission and COPA on the basic statistics to be used in reviewing prices; that food prices were not inflationary, which we knew already; and that there were no problems regarding the pricing of meat, particularly beef. I must say that I was somewhat surprised by all this.

A comparison of the proposals submitted for each product shows the remarkable extent to which the Commission has favoured vegetable products. This was no doubt due to a desire to stimulate an increase in the production of cereals and sugar-beet, in view of the present world shortage.

In fact, the Commission has taken a mainly short-term view of the problem, instead of outlining an improved long-term system which would take account of the farmer's income and purchasing power.

As far as beef is concerned, the Commission believes that the cycle is taking an upward turn. For this reason, no substantial measures are proposed. But by failing to take structural measures or to recommend basic price increases which would help the cycle to pick up again, the Commission is actually causing a run-down of beef cattle and a general drop in capital investment in this sector. As a result of its miscalculations, the natural swing of the market pendulum is being dangerously accentuated.

It is a pity that the Commission did not think of raising the support level so as to produce the same effect as increasing target or guide prices. Intervention mechanisms may be used to control the market, by ensuring outlets for farm produce, and ensuring them at prices which are both fair and profitable.

Instead, the Commission is separating the intervention prices for beef from the guide prices, thus creating a risk of market manipulation. In both the beef and pigmeat sectors price measures should have been backed up by improvements in the organization and management of the market.

The farmer is already subjected to the vagaries of weather and the laws of the market—what we must do is to enable him to work in a cli-

mate of confidence. Arguments over the agricultural budget are not going to be any encouragement to him.

At the macro-economic level, having made up our minds on what we are going to produce we must plan ahead for a period of many years.

Agriculture has been a victim of continually changing ideas about agricultural policy and the administration of the Community. But very often these changes are due to the practice of taking the line of least resistance, the consequences of which are impossible to correct. Only a few months ago, large-scale modernization of beef production was being recommended, in spite of the high cost involved and the fact that the frontiers were left wide open for a considerable length of time. As a result, animals for which there was no consumer demand in the Community soon found their way to the freezers. There, however, the need for increased capacity had been overlooked.

The producers' legitimate supplies to the market thus turned against them, triggering off a fall in prices. This is an intolerable situation which even puts at risk one of the very foundations of the European Community, namely, the common agricultural policy.

The Directive relating to the farm development and modernization plan, which remains the cornerstone of our policy, was aimed at bringing farmers' income into line with that of other socio-professional categories. But we must face the fact that the result has been quite the opposite, and that it is intolerable to the farmers themselves. I think that, if they were able to take part today, they would very probably adopt a motion of censure of the Commission, rather than adopt the proposal which has been put to us.

President. — I call Mr Vetrone.

Mr Vetrone. — (I) Mr President, ladies and gentlemen, there is no doubt that the motion for a resolution submitted by the Committee on Agriculture on the increasingly difficult problem of fixing new prices for agricultural products is extremely well-balanced. In my view, it is the most balanced of all the resolutions drawn up to date, since there is an absence of preconceived notions throughout. Of course, it will not satisfy everyone, but that is no reason not to recognize the sincere effort which has been made, the chief credit for which goes to the rapporteur, Mr De Koning, to whom I too should like to extend my warm thanks.

This year, the Commission has introduced some new and welcome features, such as the proposal

Vettrone

to calculate production costs on the basis of the last two years and—another important point—to bring forward the start of the marketing year to 1 February. We can only hope that the Council of Ministers too will rapidly reach a compromise solution, so that this admirable proposal from the Commission does not come to nothing. In contrast to these changes which, I repeat, are useful and likely to dispel—albeit only slightly—the uncertainty created among producers by the exceptionally high increases in the cost of the means of production, there is the farmers' dissatisfaction about the average general increase in the prices for 1975/76.

The Commission had reached agreement with COPA on the basis for calculating the costs, so that it was not expected that the general percentage increases would differ greatly. However, they were in fact different, and as we know, this has greatly upset the producers. The probable reason, however, is simply that different national sources were used for compiling the necessary data. One example will suffice: whereas COPA used the data from the official Italian journal, ISTAT, for its calculations of production costs in Italy, the Commission calculated them on the basis of the implicit changes in the costs contained in the national agricultural accounts. Again, bio-technical progress—estimated at 1.5% per annum—was deducted by the Commission, while COPA has asked that it no longer be deducted in view of the drop in agricultural incomes. I believe this request to be justified, if we consider the times we are going through, which are undoubtedly exceptionally difficult and for which exceptional measures are needed. Even with the old concept of a pricing policy based solely on the needs of modern and efficient farms, the owners of all the other farms were left dissatisfied, and this must be even more the case in these days of higher production costs. These farmers feel left out in the cold by this policy, which is no longer able to ensure a fair increase in the incomes of even the modern and efficient farms.

You will say that all this is true, but that this is not the place to discuss the problem—that we shall be discussing it later, when we take stock of the common agricultural policy. I hope you will not maintain that the structural measures are intended to help structurally less well developed farms, because in that case I should have to point out that these measures will take effect only in the medium and long terms, whereas the exceptional nature of the present difficulties requires a short-term policy if these as yet unmodernized farms—which make up the great majority of the total—are to be given a chance to survive.

That is why I insist that a start should be made on this short-term policy, including—if necessary—direct compensation of losses, by means of premiums, as was also foreseen by Mr Mansholt, although the situation at that time was normal; or indirect aid, perhaps in the form of a policy of controlled prices for the means of production; or else a system of tax concessions which should of course not exclude easier credits.

As regards the granting of premiums, I must repeat here what I said in the Committee on Agriculture with respect to the prices for olive oil and durum wheat. In the case of the latter, for which no change was announced in the present market system, the proposal to reduce the amount by 5 u.a. is rejected, and it is not even possible to accept a price increase lower than that for the other cereals. This decision is contrary to common sense, which suggests that production should be encouraged in this sector in which the Community has a deficit. In the case of olive oil, on the other hand, about which there has been so much argument in the past—since the granting of premiums here could easily have led to strong reactions from those who supported the granting of certain premiums to other sectors in which production in any case exceeded demand—a change in the market system is proposed. Now, no-one is purposely stirring up preconceived objections, but it is unacceptable that olive oil should remain outside the discussions.

The Commission had undertaken to discuss changes in the system as part of the general price discussions. Why then does the Commission not state specifically the fate of olive oil—which belongs to the category 'oils and fats'—instead of proposing a new policy affecting all oils and fats including, of course, butter? In addition, once stock has been taken of the common agricultural policy, the Commission should also consider the repeated requests from the fruit and vegetable growers for suitable changes to be made to the present market system, in order to ensure better price support and more effective Community preference.

As far as tobacco is concerned, I shall limit myself to pointing out that it is the only product—at least among those of interest to Italy—for which the Commission actually proposes price reductions as compared with last year. The Commission is aware that there are two types of Community agriculture—Continental and Mediterranean. Up till now, the two types of agriculture have not been treated as equals; there has been an obvious preference for the Continental type of agriculture, yet this is the system which has created the serious problem of the 'mountains' and the resultant financial

Vettrone

burdens—a problem which has now become too much for the EAGGF.

In conclusion, however, I should like to congratulate the Commission on having supplemented this year's price proposals with socio-structural measures benefiting young farmers, on the goodwill shown in the proposals on hill farming and farming in certain less-favoured regions, and on the monetary measures—about which I shall only say that they must be maintained if we sincerely wish to preserve the common agricultural policy.

The restoration of a single market is a common objective which we all have an interest in attaining. There is no doubt that it will be an extremely difficult task, unless we undertake in the meantime to make further progress towards economic and monetary union. Nevertheless, every possible effort must be made to achieve it if we are to avoid the further breakdown of the common agricultural policy, since this would deal a mortal blow to the construction of Europe in which this Parliament—as Mr Frehsee, too, reminded us—repeated its unshakable faith only a couple of days ago, when it declared by an overwhelming majority its determination to give itself a democratic constitution based on direct elections.

President. — I call Mr Lagorce.

Mr Lagorce. — (F) Mr President, ladies and gentlemen, I am going to speak today exclusively about the problem of prices.

Like the road to hell, the proposal we have before us is clearly paved with good intentions. No one can challenge the Commission's wisdom in basing its price proposals for the marketing year 1975/76 on the trends in 1973 and 1974 when production costs, as has rightly been stressed, rose at an alarming and unexpected rate.

However, the important thing is to know how this principle, excellent as it is, may be put into practice; in other words, what price increases for farm produce will be finally agreed upon, for this is what interests the farmers.

The figure of 9%, put forward by the Commission, is manifestly inadequate for France, where the trends in production costs and charges, which the Commission justifiably wishes to use as a basis, showed an increase of 17% in 1974 alone. An average price increase of 9% would prevent French farmers from making a living; they would simply have to spend more than they earned. The same situation exists elsewhere, and similar remedies may be applied in other Community countries, for example, Italy.

Farmers' organizations in France estimate that the price of all agricultural products will have to be increased by at least 15% if farmers' incomes are even to be maintained at their present level. Anything less would mean an unacceptable drop in their income.

We can be certain that in the wine-growing industry, for example, the 8% increase proposed will be insufficient. The price of wine in France today is the same as in 1960, though production costs and charges have risen considerably. Many instances may be cited; a winepress costing 9 000 FF in 1967 now costs 23 000 FF; and in my own region the sale of the contents of a 225-litre barrel was sufficient three years ago to buy that barrel when empty, whereas nowadays you would have to sell twice as much wine to buy the same barrel.

There was, admittedly, a sudden but short-lived rise in the price of wine in 1973, but once the speculators became involved the wine-growers themselves were hardly any better off. This was because distribution channels in the wine growing sector, (and in many other sectors as well, such as meat, fruit and vegetables), are organized in such a way that when production prices stabilize, or even fall, there is often a completely unjustifiable increase in consumer prices. There is certainly much that needs to be done if the markets are to be organized to the benefit of the producer and not simply the middleman.

I should also point out that the majority of wine growers in France are small farmers, and that their situation and problems can in no way be compared with those of the large sugar-beet and cereal producers of northern France.

There are indeed not insignificant differences between the problems facing producers of wine for current consumption and those facing producers of *appellation contrôlée* wines. One may say that France has not one, but several agricultures, which does not help to simplify French regulations in this particularly important field.

In any case, these small producers, these family firms, are the guarantors of the quality of their products—a quality often sought in preference to quantity. For this reason it is our duty to enable them to live.

Similarly, as regards the beef and dairy sectors, where the majority of producers are small farmers who must be protected, we are quite unable to agree with our German colleagues that the increases asked for are too high.

As a result, we have tabled Amendment No 20. The wording is, perhaps, rather unclear and might give rise to some confusion, but my main

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intention was to make a distinction between certain countries, such as France, where, in the absence of the agri-monetary measures suggested in Amendment No 25, the proposed price increases are generally inadequate in all sectors, particularly the meat and dairy sectors, and others, such as Germany, where the situation is obviously different.

So the problem is that of arriving at the 15% increase essential to our agriculture, but which some of our partners are not prepared to accept, without upsetting the equilibrium and unity of the agricultural common market.

The solution, at least in principle, is provided by the Commission's own proposal to allow for the variation in the currencies in each Member State by passing it on to agricultural prices. In the case of France, therefore, the agri-monetary measures would involve a reduction in the value of the 'green franc', bringing it into line with the French franc which was effectively devalued by an estimated 7% to 8% last year. In the view of the French farmers' organizations, which are greatly in favour of it, this adjustment of the parity between currencies vis-à-vis the European unit of account would have the dual advantage of reducing the compensatory amounts which hinder both the internal and external trade of the Community and of ensuring that prices rose in relation to production costs in the Member States. None of this would alter the uniform structure of the common market that I referred to earlier.

The 3.5% devaluation of the 'green franc' proposed by the Commission would lead to a 13.5% rise in food prices in France, whereas parallel but opposite measures for Germany would bring about a rise of only 5%. In Amendment No 25 we propose a 6% reduction in the representative rate of the 'green franc' which would enable us to reach the minimum price increase of 15% which has been demanded by the farmers whose cause we are arguing here. By contrast, the 'green Deutschmark' would be raised by 3% so that we could maintain the equilibrium of the common market while at the same time satisfying the farmers.

I shall conclude by saying that the agri-monetary measures proposed by the Commission appear to us to be the only valid solution to the problem. And without wishing to seem over-pessimistic, I fear that if this solution is not accepted the justifiable despair of the farmers will create such pressures that we shall be forced to adopt national pricing systems incompatible with Community regulations. That would signal the end of the common agricultural market, and I am certain that no one here,

good Europeans as we are, has any desire to see that happen.

President. — I call Mr Aigner.

Mr Aigner. — (D) Mr President, I should like to ask Mr Lardinois two questions.

Mr Lardinois, listening to you a short time ago I had the impression you were *in favour* of retaining these compensatory amounts. If so, and if they are a recognized part of the system, what then is left of your justification? If the rate of inflation itself is not a valid argument—e.g. because the price/cost relationship is worst, is at the bottom of the scale, in the Federal Republic, and the increase in agricultural earnings is also lowest in the Federal Republic—if this argument cannot be used, there are only two possible justifications left. One is that trade is being distorted by these compensatory amounts, but you have given us no figures to back this up. On the contrary, your figures show that even between the two Member States with the highest differential in the compensatory amounts—France and Germany—exports from France to Germany have risen, not fallen. If the distortion of trade is not a valid argument either, the only justification left is that there has been a new development in the monetary situation. Mr Lardinois, you quite correctly pointed out that the Deutschmark has again come under strong pressure to revalue. If you nevertheless insist on reducing the compensatory amounts in spite of everything that has been said here and in spite of all the figures and facts which you and the Commission have produced, you must give us another reason.

Let me now deal briefly with the second question, which is also connected with the debate on prices.

Hundreds of millions of units of account intended for European agriculture have been hoarded under the European agricultural policy, and are still held by the Commission as a readily available reserve. We demand that these funds be increasingly integrated into the overall pricing policy and agricultural policy of the Community. This is something which was demanded in the latest budget debate as well—and by all Groups. I hear that the Commission has worked out a proposal for a Community regulation to strengthen marketing bodies—which I consider to be one of the most important features. My question is: how far has this proposal progressed, when can we expect this regulation, and will it be accepted by the Council?

Those were the two questions, Mr President May I make one final remark.

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Mr Lardinois, in spite of this criticism—and we have had this for ten successive years—this House nevertheless agrees that the agricultural market which has been created is in fact a major success for the Community. This is borne out by the overall trend in productivity, in the increase in trade, in the increasing integration of the Community and now—from the consumers' point of view—in the pricing policy. Notwithstanding all criticisms, I feel I must make this comment at the end of this debate.

President. — I call Mr Carpentier.

Mr Carpentier. — (F) Mr President, ladies and gentlemen, my colleague, Mr Lagorce, made a statement centring largely on the subject of prices. Many points have been raised in this debate, and I have listened to all the speakers with due attention. However, there are a number of comments that I should like to make.

The Community's agricultural policy is based essentially on prices. That is its point of departure, that is its method. But the results of this policy must be evaluated. As the previous speaker reminded us, there is no denying that progress has been made in the agricultural sphere as a result of Community decisions. The main problem now, however, is to know whether the Community's agricultural policy is to continue indefinitely on the basis of a pricing policy.

I have three points to make.

The first is that this policy has led to the setting up of some rather unwieldy mechanisms. Much has to be done before decisions taken at Commission or Council level, or even parliamentary level, can be actually put into practice. I wonder to what extent farmers in any of the Member States can relate all our talk about guaranteed prices, target prices, intervention prices, guide prices, and so on, to their own situation. No doubt this is all a necessary part of the system, but it is a cumbersome system, which has so far not helped to solve the problem.

My second point is that up to now this policy has not solved anything, and that we should perhaps be looking for something different.

My third, and possibly most important point is that this pricing policy is unfair. It is unfair because it is primarily the big farmers who gain from an increase in the price of a product; small farmers are always lagging behind, simply trying to make ends meet, or to catch up as regards their standard of living, purchasing power and income. This is true in every sector of the farming industry, and especially the cereal-producing sector. In other words, this pricing

policy merely aggravates natural inequalities which already exist between producers. The question is whether we are going to enable hundreds of thousands of small and even medium-sized farms to carry on, or whether we are going to solve this problem at the European level, (of even at the national level in certain countries, such as my own), by eliminating them.

For this reason, then, we should perhaps be thinking of something else. I fully appreciate that, given the nature of the system—for it is a system—compensatory amounts are absolutely necessary. But when I am told that to get out of this vicious circle we must wait until Community monetary union is achieved, my reply is that we are merely postponing the resolution of these problems to some unpredictable and distant date in the future.

Given the system we have, what can we do to improve it? On the subject of currencies, my colleague Mr Lagorce suggested that an adjustment of their parities vis-à-vis the unit of account might bring some improvement. But what else might be done? Some say that if we increase production prices too much we shall speed up the rate of inflation. The real question is, who exactly is causing inflation to accelerate? Many of us are also concerned with the interests of the consumer, and a lot happens between the fixing of the production price and the fixing of the consumer price. Take the example of France, where the production costs of meat are stable. There has even been a fall in some of these costs, while consumer prices have continued to rise. So much so that the French National Assembly has set up its own special committee to look into the ways in which meat is marketed. Neither the producers nor the retailers are to blame for this inflation, which is caused chiefly by the rather mysterious system of marketing channels. That is why I think it would be worth our while to consider the idea of setting up a Community body which would be responsible for making studies of these problems and submitting them to Parliament. Such studies would form an extremely useful element in our discussions.

But, looking beyond the present framework, we can certainly be doing something as regards structures. The Commission is undeniably trying to do something for young farmers, and we should be grateful for this, as well as for its efforts in the sphere of hill-farming.

Nevertheless, we must go further, and break out of the straitjacket in which we find ourselves. We must try to see how a new policy might be evolved, a policy in which the emphasis is gradually shifted from aid to the

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products to aid to the producer, to the individual, and thus to this income.

Those, Mr President, were the remarks I wished to make on behalf of the French members of the Socialist Group. Thank you.

(Applause)

President. — I call Mr Herbert.

Mr Herbert. — Mr President, the proposals for agricultural price increases for the marketing year 1975-76 are a bitter disappointment to those of us who had hoped that the Commission would put forward adequate long-term solutions and not half-measures to alleviate a widely-recognized disaster situation. Costs have continued to soar. Total increases over the past two years have amounted to almost 40 per cent, while the price the farmer received for an important range of production has declined. Future production in the EEC is seriously threatened by an extremely grave situation facing farmers. This can be clearly seen in the case of Ireland, where in the year just gone by, twice the amount of cows have been slaughtered than in the corresponding period last year. All of us in this Parliament who are concerned about the agricultural community are well aware of the decline in farmers' incomes as a result of the present situation. It is almost impossible for farmers to modernize their farms and increase production without jeopardizing their income or their families' living standard.

The proposed 9—10 per cent price increase is clearly insufficient. The Commission would do well to remember that an important contributory element to the fall in incomes in 1974 was the fact that the prices fixed in March 1974 were quite insufficient and bore no relation whatever to the cost increases faced by farmers either in 1973 or 1974.

As regards the different sectors, I am amazed to discover that the Commission is of the opinion that things are about to improve in the beef and veal sector. Is it on this basis that the Commission has decided not to propose any significant measures for this area? By its failure to propose any basic price increase which might lead to a revival in this area, the Commission is bringing about the collapse of beef and veal production. In the case of Ireland, a further devaluation of the green pound is needed immediately to restore confidence amongst producers in this sector. At this stage, one can only hope that the blunders and miscalculations of the past year are not to be repeated. Recent press reports would seem to indicate that the Commissioner is thinking along the lines of lifting the ban on the importation of beef from

third countries. I would like clarification from the Commissioner on this point.

In the dairy sector, farmers are experiencing difficulties also. It has been said that dairy farmers were doing well in the past year. But this was only true in relation to the beef-production farmer, who was then in a crisis situation. The dairy farmer has been beset with the same massive increases in costs as everybody else. Feedstuffs, fertilizers, machinery, electricity, oil and interest rates have escalated out of all proportion. At the same time, the dairy farmer has suffered a severe income loss from the sale of calves and cows. It is true to say that in the history of Irish agriculture the price of dropped calves has reached an all-time low; there is evidence that in some parts of our country calves are being slaughtered at birth and this, indeed, is a great, great, tragedy. All of these factors have contributed to a fall in milk production, a fall last year of 4.5 per cent. This comes at a time when the dairy industry in Ireland is calling for expansion in production so that demands on the export markets can be met. Therefore, a realistic price increase for dairy products must be granted, not only to give dairy farmers the income they deserve but also to maintain and increase the level of milk production.

Finally, Mr President, the socio-structural measures proposed by the Commission are inadequate. Practically all the farmers, including those of the most seriously affected regions, have been forgotten. The promise of an imminent proposal on aid for farmers in mountain and other poor regions should therefore be speedily honoured.

(Applause)

President. — I call Mr Lemoine.

Mr Lemoine. — (F) Mr President, ladies and gentlemen, I welcome this opportunity of making a few brief comments and should first like to stress the significance of the debate and its consequences. Each year, millions of farm workers in the Community anxiously await the results of an interminable marathon of inter-governmental arguing and haggling which virtually always leads to a compromise at their expense. This year those working in agriculture are more concerned than ever as they see a worsening economic crisis affecting all sectors of activity to a greater or lesser degree.

We are discussing Mr De Koning's report on the Commission's proposals—the 'package' as it is called—but let us not fool ourselves. Whether we like it or not, the De Koning report is primarily concerned with the fixing of prices

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and incomes in agriculture. It is quite obvious that price fixing is not, and can never be, a solution to all agricultural problems. But today, in the present context, it is the main issue.

In my opinion, two problems are central to this debate. The first is that we have to ensure that farmers' earnings are sufficient for them to have a decent standard of living for themselves and their families. The second is that we have to ensure that agricultural production in our countries can play a significant part in feeding a world which 25 years from now will have a population of 7 000 million.

I therefore feel that it is in the light of these two factors that we should examine the proposals and discuss Mr De Koning's report.

Conditions for farm workers are clearly getting increasingly worse, and last year was particularly bad in this respect. The staggering rise in production costs, in the cost of cattle fodder, fertilizers and energy, in the interest rates on loans, in the cost of agricultural machinery, etc. has had a serious effect on production prices.

Moreover, this considerable increase is aggravated by the fall in market prices for most, if not all products. The agricultural prices fixed for a whole year have not been and still are not consistent with the rise in costs. The result is a sharp drop in farmers' income. In France it is estimated to be more than 15% on average, though it is far higher for those involved in stock farming as rates in this area are above the 1972 levels in most European countries.

Never has there been greater disparity between the prices the farmers get and those they have to pay. This situation cannot continue. Clearly, if determined and realistic measures are not taken, there will soon be a flight from farming. This can only lead to an appreciable rise in consumer prices. The world market in agricultural products has already entered a period of relative scarcity. This is hardly an accident. Clearly, in a system based on the profit motive, sooner or later high market prices can lead to surpluses and thus to renewed depression of agricultural markets. However, the present relative scarcity has lasting causes, which only shows how drastic the effects could have been had 5 to 10 million hectares of land in the Common Market countries been taken out of use as some persons wished not so long ago.

Though it is true that recent years have shown that the existence of the Common Market has protected agriculture against world market prices, it is equally true that at present the same machinery is being used to resist the effects of a reversal of the situation in the international

market in agricultural products. In the hands of governments and monopolies, the Community machinery tends to keep agricultural producer prices at the lowest level and at a growth rate lower than the increase in costs. It has thus become a remarkable tool for transferring the major part of the wealth earned in agriculture to the industrial and banking sector dominated by monopoly capital.

The result is that every day more and more farmers see the Common Market in its true light, that of an institution dominated and served by monopoly capital. The institutions in Brussels are thus extremely unpopular with our farmers.

I should now like to say a few words about the price proposals and Mr De Koning's report. First of all I think we should bear in mind that the prices are fixed for one marketing year and that in the current period of runaway inflation, this does not provide sufficient protection for the farmer or for agriculture.

Moreover, the prices fixed in 1974 were much lower than the increase in costs would have justified. I should also add that, except in the case of cereals, oleaginous crops and sugar beet, the official increase is not automatically reflected at the production level.

The price proposals before us invite many comments. Some have been made and I shall not repeat them. It is quite clear, especially in France, that the increase proposed does not cover the rise in costs, and we must protest most strongly about the shabby treatment of beef and veal and pigmeat prices. The help offered to meat producers is, of course, welcome, but it must be admitted that the changes in the intervention conditions are not favourable. The guide price is to be raised by 7%, the intervention price by 4.5%, bringing the latter to 91% of the guide price as against 93% before; once again we have a declining market price.

Furthermore, while we discuss prices and the future of agriculture here, there is continuing disagreement among the ministers. No agreement has been reached. The marathon, the interminable discussions and, forgive me for repeating myself, the haggling goes on. Nor are the farmers standing idly by. They realize that their massive demonstrations last summer led to the 5% increase in September.

Today, once again they are making themselves heard as they call for guaranteed prices and adequate incomes. The Communist Group fully supports them in their refusal to bear the costs of a crisis for which they are in no way responsible. The current agricultural crisis is due to

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and inherent in the capitalist crisis of our era. The problems will have to be solved, a new agricultural policy will have to be developed and modern farming methods employed if the economic stability of our countries is to be maintained. Cooperation between production, processing and marketing of agricultural products should be assisted, promoted and made more democratic in order to free farmers from the present restraints and encourage technical progress.

This can only be done in a spirit of opposition to monopoly capitalism. However, this is not the approach of our governments. It should therefore be no surprise that we cannot agree to a policy which every year takes thousands and thousands of farmers over the brink of ruin.

IN THE CHAIR: LORD BESSBOROUGH**Vice-President**

President. — I call Lord St. Oswald.

Lord St. Oswald. — Mr President, I had in fact a modest speech in my mind for this occasion, but in view of the amount of time already taken up and the number of speeches made, I shall restrict myself to one general observation—of no great originality—and one specific comment of a somewhat personal character.

Mr De Koning in his opening speech said that the situation of agriculture was very serious, and nobody, I believe, is in a mood to deny that, either the farmer or the consumer. He also said that agriculture must not become a permanent invalid. I would only add that were this to happen, it would create a sickness infecting the whole of the economy. The best that can be said today is that this danger is now recognized widely and alertly, even starkly.

I find one other factor worth mentioning with some optimism. It is a great privilege and a great satisfaction for my country that after only two years of membership the new President of COPA, elected I understand yesterday, should be British. If I may presume to say so, it also reveals the excellent judgment of the Council of COPA. Sir Henry Plumb is an agricultural statesman. That has made him a loyal and outspoken, though sometimes critical, European. At a time when it mattered to Britain that the farming industry should be told of the virtues and the potential of the Community, he was there as President of the National Farmers' Union to do so. The industry by and large backed entry, and this was not so during the

abortive negotiations of 1961 to 1963, when I was closely involved. He follows now in a distinguished line, and I am happy to see that Sir Henry Plumb is in an office from which he will derive honour and to which he will lend his own considerable stature. I feel certain that he will work closely and understandingly with Mr Lardinois, the Commissioner, to bring about the improvement that we need in our present, very real plight.

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission of the European Commission. — (NL) Mr President, I should like to deal in particular with the comments made by Mr Früh, who again brought up the reasons for his opposition to monetary compensatory amounts.

In reply, I should like to make the following point: if the 1969 revaluation had been cushioned by means of compensatory amounts, their level at the border of the Federal Republic would now be some 22⁰/₀, instead of 12.1⁰/₀. If in the course of the next few years another 5 or 6⁰/₀ were added to that, we should in fact, according to Mr Früh, have to learn to live with a permanent compensatory amount of 25 to 30⁰/₀, and this while the principal cost factors in agriculture are the same everywhere! Arab oil costs as much in the Federal Republic as in France or the United Kingdom. American soya beans cost as much in Germany as in the Benelux countries, Denmark, or Italy. Machines in Germany cost as much as or less than they do in the countries to which they are exported. Fertilizer and pesticides are exported by Germany without export levies or compensatory amounts. In other words, and I would like to address this remark to Mr Aigner too, I am of the opinion that if a revaluation takes place, the mechanism must exist for meeting its direct effects by means of a so-called 'monetary compensatory amount'. But such an amount cannot be allowed to remain in existence for ever.

It cannot even be allowed to remain until such time as there may be a monetary policy. This is not possible. I am convinced that the monetary amounts or measures having a similar effect would have been abolished much sooner outside the umbrella of the Common Market. Do you really think that at the forthcoming important international trade discussions in Tokyo agriculture will not be high up on the agenda? Do you really think that our major trading partners on the other side of the Atlantic Ocean will give their blessing to such support measures? At the moment they can in a certain sense sympathize with us, because the Community

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has not only positive monetary compensatory amounts, but also negative ones, and we can therefore show a sort of neutral face, but you certainly cannot minimize the resultant distortions of competition in the Community. They were in my opinion the principal cause of the Italian crisis six months ago. When Mr Früh says that he has statistics showing that the increase in incomes was lower than in 1973, he is quite right, but Mr Früh does not give any statistics for 1974. In other words I should like to ask him if he knows that there are such things as big lies and wrongly interpreted or carefully selected statistics. And we must guard against these. Mr Früh was one of the first Europeans and this is not up to his usual standard. I am convinced that we shall find a way out of this maze of difficulties, which are of a politically explosive nature, especially in the Federal Republic, and if we get together and examine the problem realistically, I am sure we shall be able to find a proper solution for it. I am in any case ready to defend my proposal before any forum in Germany, even a forum of farmers, as Mr Früh knows, because it is not detrimental to German agriculture. Nor would I allow it to be so.

Mr Howell made a speech in which he specifically defended the idea of marketing boards at European level. I found his speech very interesting, and I am bound to add that the marketing boards in Great Britain have done some very good work, in particular the Milk Marketing Board which he mentioned. The fact that everyone is of the opinion that they have done good work is proof of their efficiency, but Mr Howell also knows that not every marketing board has been successful in Great Britain. There have also been a Tomato and Cucumber Board and an Egg Marketing Board. These have not been equally successful, but I admit that the Commission, however efficient its apparatus may be, is not able to rule the market and that industry, the producers, commerce and the food industry must bear their share of responsibility at European level. We shall be making proposals on this. I hope it will be possible within the framework of the 'stocktaking' policy to lay down a definite line in this respect too. I would not go quite so far as Mr Howell, but what he has said has encouraged me to go on thinking along these lines.

Lord St. Oswald once more emphasized the importance of the appointment of the new President of COPA. I entirely agree with his sentiments on this. This morning I praised the ex-President. We can also congratulate him on his successor, who will continue his work.

Mr Lagorce said that there should be a higher price increase for France than for the other countries. He knows that in all, i.e. prices plus supplementary measures plus monetary compensatory amounts, we have proposed 13.5%, almost 14%, for France. I think that if the Council ratifies this in one form or another, our positions will not be so far apart. In this connection I should point out that we have proposed that no measure affecting the 'green franc' should be introduced until this is internally most convenient to France. In other words this is not a matter needing to be settled by, let us say, February.

Mr Lemoine stated once more that the common agricultural policy is a convenient tool for banks and monopolies. This is not the first time I have heard this, but I have never understood it. If we keep wheat prices at a lower level in the EEC than on world markets, if we keep sugar prices lower than on world markets, if we keep the prices of fodder grain lower than on world markets, which benefits small stock farmers in particular, how can these decisions be a toll for the monopolies, and in particular for an undertaking such as Unilever? I have never understood this. I should appreciate it very much if he would explain this clearly once and for all so that a normal, intelligent person, such as I consider myself to be, can understand. There is no point in coming here and repeating a few catch-words which do not mean anything.

I was pleased to hear Mr Aigner say that the Community's agricultural policy should not only be a subject for criticism, but also had very positive gains to its credit. I am very grateful to him for this, especially after this debate, in which I have heard it said on all sides that the situation is grim, will get still grimmer and will remain very grim. There are indeed many positive aspects of this policy, and while I am saying this I hope Mr Lemoine is among those listening.

Perhaps it is one of the most positive types of policy. After all, we do have the increase in productivity in agriculture, which is in the process of developing from a medieval industry, with all due respect, into a modern industry, based on the family business, which as regards methods and efficiency will be fully compatible with our modern world.

I should like to say most forcibly to those who are always arguing here in favour of throwing the system overboard and replacing it merely with subsidies on income, that they are taking a tremendous risk if they are going to introduce a system of subsidies which will create expectations among many small farmers regarding

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their incomes, which it will not be possible to meet in the long run. This I think is the great danger of the system proposed by those who say that we should base our agricultural policy on farmers' needs rather than on market factors. If we wanted to cover needs, the time could come when the cost became so high that hundreds of small farmers would suddenly have to be left to go it alone. And I should like to give a special warning against this particular risk. You must not arouse the illusion among large groups of farmers whose farms are too small that the governments and the Community will look after them no matter what state their farms are in. This is not possible, it is an illusion and it will be shown to be an illusion.

I was not surprised that the Government of the Federal Republic, which only a short time ago, in a number of statements, in particular by the Ministry for Economic Affairs in Bonn, appealed for alteration of the system and for a change-over to direct subsidies, has decided against this course! The Cabinet proposals were that the system should remain fundamentally the same and that the amendments already provided for in the Commission's document of October 1973 should be introduced. I should like to sound a note of warning to those who believe that it is easy to make changes to this system at European level.

This does not mean that I think we have found the philosopher's stone in every question. There are many defects in the Community's agricultural policy; there is therefore also great room for improvement, and I am quite prepared to accept the need for direct subsidies for specific groups which get into particular difficulties or are fundamentally weak. I have certainly not said that we can do no more in this matter in the future. From the various proposals which I have made in recent months, both with respect to hill farmers and farmers in other less-favoured areas, and now with respect to young farmers, and perhaps even other categories in the near future, you will see that I too am of the opinion that the market alone cannot make the policy, and that certain adjustments need to be made.

Mr Carpentier argued in favour of subsidies. I admit that the slogan 'No aid to the product, but aid to the man' sounds convincing, but it sounds more convincing that it is and I hope that he has found an answer to this argument in my speech.

Mr Herbert asked about our plans regarding imports of meat and cattle. Well, the Commission does not plan to restore the old system of free imports in the very near future. I believe

in any case, and I think the Commission as a whole does too, that there will have to be a gradual process and that this certainly is not something that we can change overnight. In all probability we shall grant certain concessions in the not too-distant future regarding the importation of a limited amount of meat into the Community. We shall keep the situation under very close supervision. The matter does not fall within the province of the Council: it is a Commission responsibility, and the Council can only introduce changes by a unanimous vote.

I should like to say to Mr Herbert, who says that the increase in costs was about 40% in just over a year in Ireland, that by 1 February of this year we hope to have worked into our system, with the supplementary offsetting measures plus the monetary compensatory amounts, a price increase of approximately 40% for Ireland.

Mr Hunault regretted the weakening of guarantees in the beef and veal sector. I can quite understand this, but Mr Hunault must realize that the premium we are proposing will also apply to cattle to which the intervention measures apply, which hitherto was not the case. Although up to now we allowed the intervention measures to apply to cattle, on the basis of 93% of the intervention price, this was not the case for the so-called 'slaughter premium'. With this proposal the slaughter premium exceeds the intervention price. The result is the same, namely the price, 91%, plus the proposed premium.

Mr Vetrone called the motion for a resolution well-balanced; I gathered from what he said that his only quarrel with the resolution concerned olive oil. I think I can reassure Mr Vetrone insofar as we hope to put a balanced proposal, as promised, for a new olive oil policy before the Council in March; this must come into force with effect from 1 November of next year.

We were unfortunately not able to include this in the package submitted before 1 December. We promised the Council last year to rectify the matter by 1 April, and we shall do so. We shall submit proposals concerning not only olive oil, but relevant regulations for horticulture under glass, the new hop market and so on.

I think I have exhausted the list of speakers. I hope that Parliament will not hold it against me if some of my answers have been a little sharp.

In conclusion, I should like to express my appreciation of the particularly intensive efforts made by the Committee on Agriculture and Parlia-

Lardinois

ment in connection with these agricultural problems. Criticism is useful, extremely useful. I hope that you will, therefore, interpret the sharpness of my remarks as an attempt to protect my colleagues, when they came under too heavy attack, rather than as a criticism of Parliament.

(Applause)

President. — I call Mr Houdet, chairman of the Committee on Agriculture.

Mr Houdet. — (F) Mr President, ladies and gentlemen, at the end of this general debate I should like to speak briefly as chairman of the Committee on Agriculture. I wish to congratulate our rapporteur, Mr De Koning, very sincerely on his achievement in analysing the Commission's proposals on the fixing of agricultural prices so fully, despite the very short deadline, which we agreed to accept as prices had to be fixed for 1 February. His speech this morning was so clear and comprehensive that those of you who are not members of the Committee on Agriculture were fully informed of the extensive debate which took place there. Though he only received the proposals on 28 November, Mr De Koning had succeeded within a few days in analysing them and obtaining from our Committee the compromise which he then put into the form of the motion for a resolution now before you. Thank you once again, Mr De Koning.

I should also like to thank Mr Lardinois. On 28 November, the day after the Commission's decision, he came personally to inform our committee of its terms. And he has readily accepted all my subsequent invitations. Though he did not always manage to convince us with his arguments—sometimes indeed rather heatedly presented, thereby showing his sincere belief in the position he is defending, he did a great deal to help us in preparing the resolutions we now put before you.

I should also like to thank the President-in-Office of the Council, Mr Clinton, who has just left after following our debate since this morning, particularly as he has assured us that he will pass on our views to his colleagues in the Council. Though it has not been the custom in the past, we may now have reason to hope that major debates on agriculture will in future be attended by the President of the Council of Ministers for Agriculture.

Finally, I should like to thank all the speakers who have taken part in the general debate. They have reflected, each in his own way, the various critical and favourable opinions which the Com-

mittee on Agriculture debated in order to reach as wide a consensus as possible in the proposal before the House today.

I would thus urge Parliament to ensure that the decision it is about to take reinforces the three basic principles of our agricultural policy. Indeed, twelve years' experience has shown that though, like any other human endeavour, it is not perfect, it is more than ever necessary if the interests of producers and consumers are both to be safeguarded, as unambiguously required by Article 39 of the Treaty of Rome.

(Applause)

President. — Mr De Koning, would you care to say a few words before we wind up the general debate?

Mr De Koning, rapporteur. — (NL) Mr President, there are no specific questions for me to answer or comments to make that cannot be made this evening when the amendments are being considered. I should like to thank Mr Houdet and others for their kind words. I am very grateful, and I should also like to include the Secretariat of the Committee on Agriculture in my thanks.

After this afternoon's speeches by the Groups and individual speakers, it seems to me that there is a basis for broad agreement on the main features of the agricultural policy for the coming year. Especially now, when it appears that no progress is yet being made with consultations in the Council, it is most important for Parliament to state with conviction and with a large majority its position on a Community policy aimed at overcoming the impending crisis in agriculture and in European integration. I trust that this will prove to be the case this evening.

(Applause)

President. — The general debate is closed.

Thank you, Mr Lardinois.

The proceedings will now be suspended until 8.30 p.m.

I call Mr Houdet.

Mr Houdet. — (F) Mr President, I agree with your proposal. But may I just impress on you the necessity of considering the Della Briotta report on mountain farming immediately after the vote on the De Koning report, since both these questions are connected? Moreover, I feel that, in doing this, I am complying with Mr Lardinois' wish.

President. — Mr Houdet, you need have no fears on this point.

The House will rise.

(The sitting was suspended at 7 p.m. and resumed at 8.30 p.m.)

President. — The sitting is resumed.

We shall now consider the motion for a resolution contained in Mr De Koning's report.

On the first three recitals of the preamble, I have no amendments.

I put these texts to the vote.

The first three recitals are adopted.

After the third recital, I have Amendment No 17 by Mr Cipolla and Mr Lemoine, worded as follows :

'After the third indent of the preamble, insert the following new indent:

" — reaffirming the need for a major change in Community policy in favour of agriculture, designed to achieve the objectives laid down in Article 39 of the Treaty of Rome, and which have as yet not been achieved, by means of :

- (a) a reduction in the increasing difference between the prices paid by the consumer and the prices obtained by producers;
- (b) a reduction in production costs in agriculture (reduction in interest rates for loans to farmers, tax exemptions, control of prices of the industrial products needed in agriculture);
- (c) an improvement in production and social structures in rural areas;
- (d) the adoption of measures to integrate immediately the revenue of farmers, particularly in less favoured areas and production sectors, in conjunction with a policy of producer and consumer prices designed to avoid the accumulation of costly and unjustified surpluses in certain sectors and the formation of shortages in others and to ensure favourable exchange rates between all countries throughout the world and in particular with the developing countries;".

The authors of this amendment are not present. Amendment No 17 accordingly falls.

On the fourth, fifth, sixth and seventh recitals I have no amendments.

I put these texts to the vote.

They are adopted.

On the eighth recital, I have Amendment No 27, tabled by Mr Früh, Mr Aigner, Mr Härzschel, Mr Artzinger, Mr Springorum and Mr Schwörer, and worded as follows :

'This indent to read as follows :

"having regard to the Commission's endeavours to restore market unity, by changing the parities of the 'green currencies', which meets the wishes continually expressed by the European Parliament, and to the fact that, in countries with a revalued currency, the monetary compensatory amounts can, however, be abolished only gradually and with great prudence if farmers' incomes are not to suffer".

On the ninth recital, I have Amendment No 28, tabled by Mr Früh, Mr Aigner, Mr Springorum, Mr Härzschel, Mr Artzinger and Mr Schwörer, deleting this recital.

I call Mr Früh to move Amendments Nos 27 and 28.

Mr Früh. — (D) The two amendments that my colleagues and I are putting forward mean that we agree with the draft resolution as such, which seeks to restore market unity by changing the parities of the 'green currencies'. Our only objections arise when cost increases are involved and prices bear no relation to these.

President. — What is the rapporteur's position on these two amendments?

Mr De Koning, rapporteur. — (NL) Mr President, I would have no objections to Amendment No 27 in itself, if it did not go together with Amendment No 28, proposing the deletion of the 9th indent.

This is, however, the indent on which paragraph 19 of the resolution is based; it is connected with the beginning of the abolition of the monetary compensatory amounts. I cannot therefore accept the deletion of the 9th indent.

I therefore advise Parliament to reject Amendments 27 and 28, in view of their connection.

President. — I put Amendment No 27 to the vote.

Amendment No 27 is rejected.

I put Amendment No 28 to the vote.

Amendment No 28 is rejected.

I put the eighth and ninth recitals to the vote.

These texts are adopted.

On the tenth and eleventh recitals, I have no amendments.

I put these texts to the vote.

The tenth and eleventh recitals are adopted.

We now come to paragraph 1 of the motion for a resolution proper.

President

On the one hand, I have three amendments replacing the whole of the paragraph, namely:

- Amendment No 1, tabled by Mr Scott-Hopkins on behalf of the European Conservative Group and worded as follows:

"This paragraph to read as follows:

"1. Approves, in principle, the broad objective of the price proposals and understands that the proposed ratio of the price for animal products to that of plant products is the inevitable consequence of the altered market situation; considers, nevertheless, that because of the actual income situation the price for animal products must be raised by an amount greater than that proposed by the Commission; believes also that there are grounds for wondering whether the accelerated cost increases in 1974 have been sufficiently reflected in the Commission's price proposals; is of the opinion, on the basis of these considerations, that the detailed proposals do not fulfil the criteria laid down, especially with regard to compensating for the increase in costs between 1973 and 1975 and ensuring the farmer an income comparable to that in other sectors."

- Amendment No 20, tabled by Mr Frehsee, Mr Laban and Mr Lagorce on behalf of the Socialist Group and worded as follows:

"This paragraph to read as follows:

"1. Considers that the proposed price increases will be insufficient for certain countries if they are not accompanied by agricultural monetary measures to provide farmers in 1975 with an adequate income and to compensate for the losses suffered in 1974, but that in other countries the price increases should be slightly lower in view of the partial imbalance and stability requirements obtaining in the sphere of animal products, in particular as regards surplus products such as beef and veal and dairy products;"

- Amendment No 18, tabled by Mr Cipolla, Mr Lemoine, Mr Maigaard and Mr Hartog on behalf of the Communist and Allies Group and worded as follows:

"This paragraph to read as follows:

"1. Considers the Commission's proposals inadequate, particularly in the present situation, for ensuring farmers' incomes, for guaranteeing consumers fair prices for basic foodstuffs and for reducing the cost of the common agricultural policy for European taxpayers;"

On the other hand, I have two amendments concerning part of the paragraph, namely:

- Amendment No 13, tabled by Mr Bourdellès, Mr Baas, Mr Durand, Mr Durieux, Mr Houdet, Mr Jozeau-Marigné and Mr Premoli on behalf of the Liberal and Allies Group and worded as follows:

"In this paragraph, replace the sentence beginning "in view of" and ending with the words "animal products" by the following text:

"and demands that the price hierarchy be restored in favour of animal products;"

- Amendment No 7, tabled by Mr Liogier, Mr Hunault, Mr Cointat and Mr Gibbons on behalf of the Group of European Progressive Democrats and worded as follows:

"In this paragraph, replace the sentence beginning "in view of" and ending with the words "animal products" by the following text:

"this increase must continue to respect the price ratio which favours animal products in order to guarantee farm incomes rather than be influenced solely by world market trends;"

as well as two amendments adding a new text at the end of the paragraph, namely:

- Amendment No 8, tabled by Mr Liogier, Mr Hunault, Mr Cointat and Mr Gibbons on behalf of the Group of European Progressive Democrats and worded as follows:

"Add the following text to this paragraph:

"considers that the whole of the increase in farm yields attributable to progress in the technico-biological field should go to producers as compensation for their relatively low incomes, and should therefore not constitute a criterion for determining the general level of prices".

- Amendment No 14, tabled by Mr Baas, Mr Bourdellès, Mr Durand, Mr Durieux, Mr Houdet, Mr Jozeau-Marigné and Mr Premoli on behalf of the Liberal and Allies Group and worded as follows:

"Add the following text to this paragraph:

"wishes, however, that the 1974 increase in farm yields attributable to progress in the technico-biological field be reinstated in the Commission's calculations to determine the general level of prices, taking into account the poor weather conditions which contributed indirectly to the rise in production costs;"

We shall discuss together the three amendments affecting the whole of the paragraph and the two amendments which concern only part of it, that is to say, Amendments Nos 1, 20, 18, 13 and 7.

We shall vote first on the three amendments replacing the whole paragraph, beginning with the one which departs furthest from the text of the report. If none of these three amendments is adopted, we shall then vote on the two amendments concerning part of the paragraph.

Having thus dealt with the five amendments in question, we shall take Amendments Nos 8 and 14, which add a text at the end of the paragraph.

I call Mr Brewis to move Amendment No 1.

Mr Brewis. — Mr President, this amendment to the text has a somewhat different emphasis from the text of the rapporteur, although both texts

Brewis

contain a number of points in common. The amendment does not indicate an objection to the broad principles of the Commission's proposals or to a ratio between the price increases in the various sectors. Because of the escalation of costs in 1974 and the disastrous returns, particularly in the beef sector, it seemed right to underline that the Commission's proposals do not look as if they will fulfil the criteria laid down in respect of farm income. This was reinforced by Mr Clinton in his speech this afternoon when he spoke of compensation for loss and return of confidence. The text of this amendment I am moving highlights the problems facing industry in a way in which the present text of paragraph 1 does not, and my group believes that the House should agree to substitute the text of this amendment.

President. — I call Mr Frehsee to move Amendment No 20.

Mr Frehsee. — (D) Mr President, this is the decisive passage of the resolution: either we agree, in principle, with the proposals on agricultural prices put forward by the Commission, or we object to them.

The Socialist Group is unable to vote for paragraph 1 of the motion for a resolution put forward by the Committee on Agriculture. It has very serious objections to saying that the price proposals from the Commission are 'patently inadequate for providing farmers in 1975 with an income equivalent to that enjoyed by those employed in other sectors'.

That is an inadmissible generalization. As we know from today's debate, production costs in the various Member States of the Community vary a great deal; and in some of them at any rate the price increases proposed by the Commission should be quite enough to offset the costs that have arisen during 1973 and 1974 and in addition provide a reasonable income. Moreover, the words used in paragraph 1 of the motion, 'an income equivalent to that enjoyed by those employed in other sectors', do not square with the wording in Article 39 of the Treaty; we would, indeed, doubt whether what is said in paragraph 1 of the Agriculture Committee's motion is in accordance with the Treaty. We cannot vote for this. Article 39 speaks of 'a fair standard of living', and we favour a pricing policy which leads to a fair income. For these reasons, we have objections and very serious doubts about paragraph 1 of the motion for a resolution.

Now one or two comments on Amendment No 1, by Mr Scott-Hopkins, which has just been moved by Mr Brewis. For similar reasons, the Socialist

Group finds itself unable to vote for this amendment. This talks about the prices for animal products needing to be raised more than those for plant products. The Commission has proposed quite deliberately, and in the opinion of the Socialist Group justifiably, that there should be different increases in price for plant products and animal products. The reason for this has been put forward in the debate, and I mention this, Mr President, so as to keep things brief. We have, we know, surpluses of animal products; and one cannot increase the prices for goods that are in surplus to an extent above the average. This is the belief held by the Socialist Group, which prevents it from voting for Amendment No 1 by Mr Scott-Hopkins and the European Conservative Group.

But this amendment also says that the cost increases in 1974 have not been sufficiently reflected in the price proposals. Here we have the same objections that we have to paragraph 1 of the motion for a resolution: that is not proven, and one cannot make this statement! The situation in the nine Member States varies considerably, and for some of them this is not so. For these reasons, therefore, we reject paragraph 1 and the amendment by Mr Scott-Hopkins.

It was with all these considerations in mind, Mr President, that we put forward Amendment No 20. In this amendment, we are proposing that we make distinctions, and that price increases should be based on considerations of justice, being larger in those places where production costs have risen particularly sharply. We cannot do anything about inflation and its consequences, nor about the consequences of the economic policy that is or is not being followed here. Nor can we do anything about the fact that there is no common European economic policy. But the effect of the absence of a common economic policy is that greatly differing costs have developed, and we believe that in the interests of those concerned account must be taken of this when fixing prices. We do not feel that we have to hold to the principle—now become a mirage—of a common price at any price, even that of a loss of livelihood.

These, then, are the reasons for Amendment No 20, which would make possible differential price increases, and which sets out clearly what the Commission has essentially done by making use of exchange rate adjustments which are to be applied in different ways.

In this amendment we are also asking, Mr President, that account be taken of Article 39: where there are imbalances, where the market is not stabilized, there should be lower price increases for those products for which there is no market

Frehsee

equilibrium. That is the reasoning behind Amendment No 20, and I ask this House, on behalf of the Socialist Group, to follow the spirit of what has been said here in the general debate and to vote for this amendment, rejecting the other amendments.

(Applause from the Socialist Group)

President. — I call Mr Cipolla to move Amendment No 18.

Mr Cipolla. — *(I)* Mr President, dear colleagues, like all of you I followed this afternoon's debate with great attention. If the minutes of the sitting were already published I could find arguments in every speech in favour of this amendment.

I think none of the speakers was convinced that the provisions proposed by the Commission were likely to guarantee farmers' incomes in the present situation. Everyone, particularly my colleagues in the Socialist Group—I am thinking in particular of the last speech by Mr Frehsee—but also our British colleagues, pointed out that these measures do not guarantee fair prices to consumers for essential food products.

I would like finally to mention the masterly speech made on behalf of the Committee on Budgets by Mr Cointat, who in an extremely clear way, quoting the results of an extremely significant vote, stressed the very point which we are trying to make now, that these measures do not reduce the cost of the common agricultural policy to European tax-payers but on the contrary increase it, and increase it by a figure which is likely to prove enormous.

For these reasons I believe that if this Assembly wants to hold firmly to the statements made on all sides, it should vote in favour of our amendment; the amendment points out clearly that these measures proposed by the Commission do nothing to guarantee that the requirements of farmers or consumers or European tax-payers will be satisfied.

I would add that this realization makes a thorough review of the common agricultural policy even more urgent, as regards consumer prices and producer prices, as regards the reduction of producer costs, which everyone has mentioned, and, finally, as regards measures to maintain farmers' incomes.

For this reason, Mr President, I hope that the Assembly will at least give reasons for its vote.

As regards the other two amendments which have just been moved, we understand Mr Frehsee's thinking and we must admit that some of his reasons are very well founded. However, although we cannot vote against the first of

these, we cannot vote in favour of it either, because this amendment is only partial, it does not deal with the whole of the problem and therefore might give rise to difficulties in individual countries. As for the other amendment, which agrees with the Commission's proposals, we clearly cannot vote in favour.

President. — I call Mr Durand to move Amendment No 13.

Mr Durand. — *(F)* Mr President, it is unanimously agreed in all countries that animal products are at present penalized, and priority should therefore obviously be given to animal products in the price hierarchy. That is the purpose of our amendment, and it is not necessary for me to go into it at greater length.

President. — I call Mr Liogier to move Amendment No 7.

Mr Liogier. — *(F)* Mr President, the purpose of this amendment is similar to that just moved. I will merely say that the farmer, who is already subjected to the whims of nature and the laws of the market, is in need of a climate of confidence. It is therefore essential to maintain specific patterns in the choice of products for several years. The farmer is a victim of continually changing ideas in agricultural policy and Community administration. That is why we ask that the former attitude, in which the Commission favoured a hierarchy for animal products, which we approved, be maintained.

We ask the Commission to maintain that attitude and not let itself be influenced by world market trends. In our opinion, the first object should now be to guarantee farm incomes by means of a remunerative price-level, especially for animal products, which have been affected by this cyclic phenomenon during recent months.

President. — What is the rapporteur's position on these five amendments?

Mr De Koning, rapporteur. — *(NL)* Mr President, regarding Amendment No 1, by Mr Scott-Hopkins, I should like to say that it tends in the same direction as the Committee on Agriculture's motion for a resolution, although the underlying reasoning differs somewhat from ours. Mr Scott-Hopkins says that the Commission proposals do not fulfil the criteria laid down with regard to compensating for the increase in costs and ensuring the farmer an income comparable to that in other sectors, whereas paragraph 1 of the motion for a resolution states that the Commission proposals are

De Koning

clearly inadequate if these goals are to be reached.

The Committee on Agriculture, by a small majority, preferred the wording used in the motion for a resolution. Although I recognize that the aim is the same, I cannot therefore recommend Parliament to accept Mr Scott-Hopkins' amendment.

Amendment No 20, by Mr Frehsee and others, is not, in my opinion, in agreement with the views of the majority of our committee. The majority of our committee clearly did not wish to say that certain price increases could have been somewhat smaller. The majority also definitely wants to stick to the basic policy of Community prices. For this reason, I think that Amendment No 20 should be rejected.

I come now to Amendment No 18, by Mr Cipolla and others. Mr Cipolla lists a number of objectives which we would no doubt all wish to achieve—namely, guaranteeing agricultural incomes and cheaper prices for foodstuffs. According to his views and his explanation, this means that he at least does not want any higher prices and aims at lower costs for the common agricultural policy. These are all fine objectives, but they cannot be aimed at simultaneously by our price policy. The amendment is inconsistent. I would therefore advise Parliament to reject it.

Amendment No 13, by Mr Baas, Mr Bourdellès and others, regarding the restoration of prices in favour of animal products, in my opinion takes insufficient account of the situation on the world market. Amendment No 7, by Mr Liogier and others, which is similar, even says so in so many words. The Commission proposals take both the market situation and the agricultural incomes situation into account. I think that Amendments No 13 and No 7 are one-sided, and would advise Parliament to reject both of them.

President. — I call Mr Carpentier.

Mr Carpentier. — (F) Mr President, I should like to add a further comment on Amendment No 20, tabled by the Socialist Group.

As a matter of fact, it does not differ from paragraph 1 as regards the price proposals, but paragraph 1 is somewhat blunt and we felt that it should be toned down in accordance with the facts.

President. — I put to the vote Amendment No 1, which departs furthest from the text of the report.

Amendment No 1 is rejected.

I put to the vote Amendment No 20.

Amendment No 20 is rejected.

I put to the vote Amendment No 18.

Amendment No 18 is rejected.

As the three amendments replacing the whole of the paragraph have now been rejected, I put to the vote the first part of paragraph 1, up to and including the words 'losses suffered in 1974'.

The first part of paragraph 1 is adopted.

I now put to the vote Amendment No 13.

Amendment No 13 is rejected.

I put Amendment No 7 to the vote.

Amendment No 7 is rejected.

I put the second part of paragraph 1 to the vote.

The second part of paragraph 1 is adopted.

We shall now take the two amendments adding a new text at the end of the paragraph.

I call Mr Liogier to move Amendment No 8.

Mr Liogier. — (F) Mr President, the application of the criteria generally proposed to the calculation of the general level of prices implies that the increase in farm yields attributable to progress in the technico-biological field, estimated at 1.5 per cent a year, is deducted from the rate of increase of prices.

Given, however, the inevitable widening of the gap between farm incomes and the incomes of other socio-professional categories in 1974 as a result of the lower prices received by producers, we are of the opinion that farmers should reap the full benefit of their increased productivity. The rate should therefore not be deducted in their case.

I should like to add that increased productivity often entails additional costs for the farmer.

President. — I call Mr Baas to move Amendment No 14.

Mr Baas. — (NL) Mr President, since Parliament in paragraph 1 says that the price increase is insufficient, but does not say what a reasonable price increase would be, we have perhaps a chance to supplement paragraph 1 by saying something about technico-biological progress. In principle it was initially accepted as an objective criterion that part of technico-biological progress should be reckoned, not in favour of agriculture, but, as it were, of general economic progress. It was similarly taken that 1.5 per cent of technico-

Baas

biological progress should not be included in the calculations. We went through a period in which this technico-biological progress amounted to 3 or 4 per cent. A small part of this, at least the actual progress less 1.5 per cent, was always included in the calculations, and the rest not.

I think that we as a Parliament should not tamper with the objective criteria and should therefore leave this 1.5 per cent. But the situation in 1974, especially the cost rises in the last part of 1974 and the general situation in agriculture, led us to look for some accommodation in the form of a price rise. In my opinion, COPA went too far in bringing up technico-biological progress over the last year again. I do not think we should do that. But there are, perhaps, arguments for allowing something to agriculture in 1974, over and above the 9 per cent or so. This is the background to this amendment. We do not wish to advocate a possible increase, but just to give Mr Lardinois an argument for the discussion in the Council, if the question is asked what agriculture can be offered above the 9 per cent or so. There is an opportunity here, we think. That is why the Liberal Group tabled this amendment, which I hope Parliament will support, to give Mr Lardinois, as I said, a chance to bring in some arguments in the discussion in the Council regarding the realization of what we said in the first paragraph—namely, that the increase is clearly inadequate. Each can then decide for himself what this is to mean.

I would therefore request you not to withhold your support for this amendment.

President. — What is the rapporteur's position on these two amendments?

Mr De Koning, rapporteur. — (NL) Mr President, in the Committee on Agriculture the idea underlying Amendments No 8 and No 14 was rejected, or at least it was decided by a small majority not to include this idea in the motion for a resolution.

There is a difference between the two amendments. Amendment No 8 leaves aside the question whether the bio-technical rise in productivity is to be assigned to agriculture over one or two years, whereas the amendment by Mr Baas and others expressly limits this to 1974. In my opinion, Amendment No 8 has the disadvantage of unclear wording, at least in the Dutch text, where the Commission is asked not to let this technico-biological progress constitute a criterion for determining the general level of prices. The Commission has in fact not done so: it has deducted this. I take it that Mr Liogier means here that the technico-biological rise in

productivity should not be deducted now, but allowed to benefit agriculture.

In view of the discussion in the Committee on Agriculture, it is not open to me to advise Parliament to accept Amendments No 8 and No 14.

President. — I call Mr Vetrone.

Mr Vetrone. — (I) In the course of the general discussion I expressed myself in favour of allowing producers, as an exceptional case for this year, an increase in productivity resulting from bio-technical improvements.

For this reason I intend to vote in favour of Amendment No 8, by Mr Liogier, which seems clearer. I should like to ask Mr Baas to withdraw Amendment No 14 and support Mr Liogier's amendment, which—I repeat—is more specific.

President. — Mr Baas, are you maintaining your amendment?

Mr Baas. — (NL) Mr President, since this concerns advice for the Commissioner, I am prepared to withdraw the amendment and join in supporting the amendment by Mr Liogier.

President. — Amendment No 14 is accordingly withdrawn.

I put Amendment No 8 to the vote.

Amendment No 8 is adopted.

On paragraph 2, I have Amendment No 21, tabled by Mr Frehsee and Mr Laban on behalf of the Socialist Group and worded as follows:

"This paragraph to read as follows:

"2. Doubts whether the present price proposals take account of all the aims of the common agricultural policy, in particular the supply of goods to consumers at equitable prices and the stabilization of the markets."

I call Mr Frehsee to move this amendment.

Mr Frehsee. — (D) Mr President, paragraph 2 of the motion for a resolution from the committee says that in view of the minor effects on consumers the proposed price increases are acceptable. We cannot subscribe to this. We have made it clear how very much dearer milk and sugar will become, to mention only two products that are particularly sensitive in social terms, products that are popular and basic foodstuffs.

It is also said that these price increases are acceptable because of the need to combat inflation. This, too, is something we cannot support.

Frehsee

Because of this we are proposing that paragraph 2 be reworded, in the way set out in Amendment No 21. In moving this amendment we are expressing our belief that it is very doubtful whether these price proposals achieve the aim of Article 39, that of providing the consumer with foodstuffs at fair prices, and we also express our doubt whether the other aim of Article 39 is achieved, that is to say, a stabilization of the markets. I ask the House to adopt this Amendment No 21.

President. — What is the rapporteur's position?

Mr De Koning, rapporteur. — (NL) Mr President, Mr Lardinois has stated today that he estimates the effect of these price proposals on the cost of living at 0.66 per cent. I should have thought this was quite in accordance with the aim of paragraph 2 of the motion for a resolution.

I should like to remind the proposers of this amendment once more that Mr Lardinois said in an earlier discussion that the consumer in the Community is saving around 5 thousand million dollars a year because of the Community sugar policy alone. I think that these price proposals take very reasonable account of what consumers are demanding, and of the necessity to stabilize the markets. They also clearly take account of the market situation for the various products. I feel I must therefore advise Parliament to reject Amendment No 21.

President. — I call Mr Cipolla.

Mr Cipolla. — (I) Mr President, we have no doubt that this policy proposed by the Commission will have unfavourable consequences for consumers and for the stabilization of the markets, not so much because of the price increase granted to producers, but rather because we realize, although we are only of 'average intelligence', as Mr Lardinois has said, that the real beneficiaries of this policy are not the farmers, but the industrial monopolies and the intermediaries. We are sure that consumers will have to pay dearly for this policy, as has happened in the past. I do not believe that anyone in this Chamber can say that the increase in the price of sugar—which, in the way it has been proposed by the Commission, means in practice granting industry a price increase on the product, since the harvest is already partly over and producers have already received the price—will have no effect on inflation and the increase in the cost of living. The Socialist Group's amendment expresses this very doubt. I can see that the attitude of our colleagues in the Christian-Democratic Group is doctrinaire

and ignores that healthy questioning attitude which is characteristic of the secular tradition of European thought. However, I believe that on such a simple question the Parliament should accept at least this very moderate wording tabled by the Socialist Group.

(Applause from the Communist and Allies Group)

President. — What is the Commission's position?

Mr Lardinois, member of the Commission of the European Communities — (NL) Mr President, I should like to say something about this amendment, especially as I still owe Mr Frehsee an answer on this point.

Mr Frehsee pointed to the unfavourable effect of the proposed price changes for milk and sugar, and I should like to say something on this. As regards milk, we proposed an increase of 6 per cent as from 1 February. But I can inform Parliament that the larger part of this price increase has already been realized over the last few months in the market, especially in the butter sector.—Not, however, in the milk-powder sector: there we should, in fact, have a real rise from the prices proposed for 1 February. But for butter the increase has already been realized. We are further proposing to increase the price by another 4 per cent in the autumn, again mainly in the butter sector. This will save us at least 55 million u.a., which we would otherwise have to pay from Community funds to store butter for the winter. In this way that is taken over by the market.

As regards sugar, there is another side of the picture, which I should like to bring out. I think that in view of the present market situation we should not look only at the direct effects for producers, but also at the effect on consumption. In the present phase, we want to stimulate the producer to produce more next year. If the price is increased with effect from 1 February, we shall force manufacturers to pay our producers for last year over the next few months, because of the regulations. Finally, by this price increase of 16 per cent, which comes to 19 per cent because of the earlier application, we wish to restrain consumption.

I should particularly like to make it clear to Mr Frehsee that, in the present tight market, the price also has a function in restraining consumption. Might I, for instance, point out that the Labour government in power in the United Kingdom, a government which is very sensitive about food prices and considerably subsidizes basic foodstuffs, has nevertheless allowed the sugar price to rise by 150 per cent in 9 months, precisely to influence consumption, and to leave a supply possibility open.

President. — I call Mr Frehsee.

Mr Frehsee. — (D) Mr President, I do not want to go into this matter of sugar price policy now in detail, because we are putting forward a special amendment on this, and the reasons for this will be given separately. Only one comment: sugar prices on the London Sugar Exchange have in the past week fallen to £360 a ton. They have got back to the position of September last year. I can only hope that this trend will continue, and that the English consumer will again benefit from this.

I don't want to say any more about this, but will make a general comment on the amendment. I asked to speak, Mr President, because of something that was said by the rapporteur. I am sure he was mistaken when he said that Mr Lardinois had stated that consumer prices would rise by 0.66 per cent as a result of this increase in agricultural prices. This is of course not at all the case, it is the cost of living that will go up by 0.66 per cent, while consumer prices for foodstuffs will be about 4 times. We have talked about this already; in mathematical terms that is about 3 per cent, and today in the general debate I pointed out that last year's price increase of 8 per cent led to an increase in consumer prices of 16 and 20 and more per cent. We cannot work with merely theoretical figures, we are expressing our views on practical policy. This is equally true for the milk sector. It simply cannot be denied that over the past year milk has gone up by $8 + 5 = 13$ Pfennigs, and that—so far as I can see, at least—this has been fully passed on in the case of household milk, and I suspect that this price increase too, when it occurs on 1 February, will also be fully passed on. This means an increase in the price of milk, over a period of 12 months—if the Council of Ministers acts that quickly, which is, of course, the question—of 30 per cent or more, round about a third. This worries us greatly, and because of this worry we are putting forward this amendment.

President. — I call Mr Cipolla.

Mr Cipolla. — (I) Mr President, I thank Mr Lardinois for the explanations he has given, and I think I have grasped their meaning.

Mr Lardinois claims that at least part of the sugar price increase proposed by the Commission will not go to the farmers but to the industry and will serve to reduce consumption. If we really wanted to reduce consumption—although I do not agree that we should—a tax could be imposed that was payable to the state concerned or to the Community. What Mr Lar-

dinois is proposing is a price increase in favour of the monopolies: workers, consumers, housewives who do the shopping every day need low prices. Farmers, too, are going through an extremely difficult period, and therefore it would also be a good idea to grant this increase to the farmers, but it is not right that it should end up in the pockets of the sugar industrialists. This policy, which helps neither farmers nor consumers, is entirely unacceptable.

For this reason we shall vote in favour of the amendment tabled by our colleagues in the Socialist Group, although it is not as strongly worded as the amendment which we tabled and which was rejected.

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission of the European Communities. — I shall be very brief. I do not know what Mr Cipolla is getting worked up about. What I said was that the price increase to take place on 1 February must be passed on by sugar manufacturers to the farmers who have grown the sugar. This is what I said in the first instance. I am repeating it in the second instance. In other words, the price increase is not intended for the manufacturers.

President. — I put Amendment No 21 to the vote.

Amendment No 21 is rejected.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

On paragraph 3, I have, first of all, Amendment No 9, tabled by Mr Liogier, Mr Hunault, Mr Cointat and Mr Gibbons on behalf of the Group of European Progressive Democrats and worded as follows:

'Add the following text to the end of this paragraph:

"considers that in order to encourage beef and veal producers who are at present crippled by the sharp fall in their incomes and to avoid a drop in the corresponding animal population, these prices must be increased substantially and all intervention levels raised in proportion with the increase in guide prices;"'

I call Mr Liogier to move this amendment.

Mr Liogier. — (F) Mr President, the Commission is perfectly aware of the fact that the fall in the incomes of beef and veal producers is largely caused by defects in the intervention system.

And what do we find? Instead of an improvement in the system, a relative reduction in the intervention levels is proposed. It is regrettable

Liogier

that no one thought of raising the intervention levels in proportion to the increase in guide prices. In our opinion, the intervention system makes it possible to control the market, and should play a dual role: not only to guarantee outlets, but to guarantee them at fair and remunerative prices.

President. — What is the rapporteur's position?

Mr De Koning, rapporteur. — (NL) Mr President, it is my opinion that this amendment takes totally insufficient account of the present market situation in this sector. It follows from the market situation that considerable price increases will have little or no effect, and I think the result will be that intervention possibilities are greatly overestimated.

I therefore think this amendment ought to be rejected.

President. — I put Amendment No 9 to the vote.
Amendment No 9 is rejected.

Still on paragraph 3, I have two amendments which can be considered jointly:

— Amendment No 10, tabled by Mr Liogier, Mr Hunault, Mr Cointat and Mr Gibbons on behalf of the Group of European Progressive Democrats and worded as follows:

'Add the following text to this paragraph:

"feels that aid to beef and veal producers should be granted for all animals, both male and female, so as to avoid giving an unfair advantage to large-scale specialized stock-farming undertakings to the detriment of small farmers in mixed holdings;"

— Amendment No 15, tabled by Mr Bourdellès, Mr Baas, Mr Durand, Mr Durieux, Mr Houdet, Mr Jozeau-Marigné and Mr Premoli on behalf of the Liberal and Allies Group and worded as follows:

'Add the following text to this paragraph:

"but wishes that it be granted also for the slaughtering of cows having a live weight of more than 300 kg;"

I call Mr Liogier to move Amendment No 10.

Mr Liogier. — (F) Mr President, in our opinion such supplementary aid could in no way replace the price policy itself. We feel that the granting of a premium of 30 u.a. for male cattle is an incomplete action and should be extended to females. Such allocation difficulties also show clearly the extent to which the system is often inefficient and unfair, since it precludes farmers who are in the greatest need from benefitting from the premium.

President. — I call Mr Durand to move Amendment No 15.

Mr Durand. — (F) Mr President, my comments complement what Mr Liogier has said, but I should like to add that I just cannot understand why there should be a premium for male cattle for slaughter and not for female cattle. I am thinking here of a particular law of genetics, the Mendel law, according to which the same number of male as of female cattle are born, and I do not understand why some farmers who are lucky enough to have male cattle born should receive a premium and those who are unlucky enough—if that can be said, since it is not always a matter of bad luck—to have female cattle do not receive it. That is why I recommend adoption of the amendment tabled by our colleague.

President. — I call Mr Zeller.

Mr Zeller. — (F) I should like to support Amendment No 10 very strongly and to press the Commission to make some arrangements very quickly for the army of small producers still to be found in Europe—not necessarily hill and mountain farmers, but smallholders with fifteen hectares and eight cows. A survey in France has shown that 10 per cent of producers received investment aid intended for stockfarming. We in Parliament should also remember that, since the common agricultural policy has existed, all the statistics have shown that the disparity between farm incomes in most countries has increased, and we should say so. Perhaps our instruments should also be checked regularly. That is why I wanted to give a reply to what Mr Lardinois said at the beginning of the afternoon on direct aid, to encourage you to act vigorously towards that end. If not, we shall no longer be able to accept the common agricultural policy in our regions as we have done until now.

(Applause)

President. — I call Mr Vetrone.

Mr Vetrone. — (I) Mr President, without the same enthusiasm and vigour as Mr Zeller, I support Mr Liogier's amendment.

President. — What is the rapporteur's position?

Mr De Koning, rapporteur. — (NL) Mr President, the Community regulation is intended to give support to fatstock producers and thereby to provide some compensation for the losses following the crisis on the beef and veal market. Seen from this viewpoint, both male and female animals must come under the regulations. Let us bear in mind—and I shall be glad to hear

De Koning

from Mr Lardinois whether he can confirm this—that the regulation in fact becomes impossible to implement, because it is extremely difficult to distinguish between female animals raised specially to produce beef and veal and female animals bred specially to produce milk and then offered as worn-out milch cows so as to claim the premium granted on fatstock. Even with the present regulations, strict control will still be necessary to avoid all sorts of irregularities in this respect.

As regards Amendment No 10, I should like to note that this regulation in no way favours specialized big farms at the expense of small producers. On the contrary, the regulation applies both to small and to large cattle or fatstock farms, and I can only say that over the last few years the big farms have suffered considerably greater losses than small farms. I would therefore advise the rejection of both Amendment No 10 and Amendment No 15.

President. — What is the Commission's position?

Mr Lardinois, member of the Commission of the European Communities. — (NL) Mr President, I would be glad to give the rapporteur the information asked for, and also to reply to the previous speaker.

We were, in fact, originally thinking of a direct subsidy of 20 u.a. Then we changed this proposal internally, since we saw that it would be a bad thing to pay this to the slaughterhouses, since experience has shown that there is too large a chance that part of this money, intended for the fattener, does not get to him. We therefore decided to apply the regulation in such a way that we could pay the farmer this fattening premium directly. But we are paying it only on male animals, so as to be able to keep a check. If we pay it to the slaughterhouses, we cannot be certain that this amount will go fully to the benefit of the farmers.

So it is either one thing or the other. Either we pay the slaughterhouses, which is definitely less favourable to agriculture, or we pay the farmer, but then there must be checks. I can quite understand that perhaps, in certain periods, certainly in a time of increasing unemployment, the small stockholder does not get enough under the present regulation.

I should also like to assure Parliament that especial attention will be paid to this point in the proposals which we shall be making in March for the revision of agricultural policies. I should, however, like to warn against the taking of such measures or the giving of incentives lightly,

without any distinctions, so that small stockholders, at all periods of life, are encouraged to keep their farms. This might well, in the future, give rise to increasing difficulties or to expectations which we cannot, in the long run, meet. I recognize that the problem of the small stockholder who, for whatever reason, cannot expand his farm is, from a social point of view, one of the most pressing problems in European agriculture. I do not think, however, that we can deal with this problem by simple measures. We have to fit the solution to it into a scheme that deserves broader attention than an amendment to the prices here.

I once again promise Parliament that I shall come back to this problem in about a month, but I would now ask you not to take any overhasty decisions on this point.

President. — I put Amendment No 10 to the vote. Amendment No 10 is rejected.

I put Amendment No 15 to the vote.

Amendment No 15 is rejected.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

On paragraph 4, I have, first of all, Amendment No 2/rev./II, tabled by Mr Howell and worded as follows:

'Add the following text to this paragraph:

"and considers that a statutory Meat Production and Marketing Authority could be useful to create a workable balance between supply and demand for meat within the Community and requests that urgent study should be made of this subject."

I call Mr Howell to move this amendment.

Mr Howell. — Mr President, this is a very modest amendment. It has been revised, as you have said, twice—the second time at the suggestion of the rapporteur, who felt he could support it if I took out the word 'necessary' and put, 'A meat production and marketing authority could be useful'.

The real purport of this is that we request that a study should be made of this possibility. I think from all quarters today in this debate we have heard that it is felt that some changes need to be made in our system, and I suggest that this particular way of dealing with our problems should be looked into urgently: I feel that something useful might come of it. I don't intend to cover the same ground, merely to point out that although I was grateful to Mr Lardinois for the remarks he made when I spoke on this subject earlier

Howell

today, I think he misunderstood me, because I was talking about overall statutory authorities and he was talking about marketing-boards generally. I realize that we in the United Kingdom have had marketing-boards which have failed, but not statutory marketing-boards. Perhaps I could explain it better by saying that completely comprehensive marketing-boards such as those for milk and hops have been highly successful, while I fully agree that the other boards such as those for cucumbers, tomatoes and various other things have been unsuccessful. I want to draw that distinction.

This, in my view, is in the interests of the consumer as well as of the producer, and is a means whereby strength can be gained by the producers working together to enable them to get a reasonable return and to provide a cheap product without governmental support. Surely this is what we are all looking for. I believe that it would be a very good thing if the Commission were to make a thorough study of this question and report on it later.

I hope that I shall get support for this amendment.

President. — What is the rapporteur's position?

Mr De Koning, rapporteur. — (NL) Mr President, in the discussions on the agricultural policy with our British friends, it several times proved that they are expecting far too much of the effect of marketing-boards on sales of agricultural products. Wide experience has been accumulated of this in the United Kingdom, and it certainly seems to me useful to look into this matter more closely on the basis of the material available. I therefore have no objections at all to the aim of this amendment.

Two questions arise, however. In the first place, whether we should be so specific in this resolution as to recommend study of the effect of the marketing-board on the meat market in the Community. Doesn't this apply to other products too? Secondly, there is the question whether this belongs in this resolution: it is, of course, only slightly connected with the problem of price policies. Mr Howell could bring up this proposal during the evaluation of the agricultural policy, which will take place shortly—that is to say, he could withdraw his amendment and keep it for the coming debate, or, of course, put it to the vote and leave the decision to Parliament.

I have therefore no objections to the aim of the amendment: I gladly leave the decision to Parliament.

President. — I call Mr Howell.

Mr Howell. — The reason why I have put it in paragraph 4 is that a study is to be made of the marketing of beef and veal. To me, this is only a part of the problem, for other meat affects the beef and veal market. Surely, if we expand pig production too much, as we did beef production—certainly in the United Kingdom we expanded beef production much too quickly, by 35 per cent in 3 years—if we make the same mistake in pig-meat or in poultry-meat, we shall cause trouble in the beef industry again. One of the main points I intended to make earlier was that the whole sphere of meat-marketing and production should be looked into.

President. — I call Mr Vetrone.

Mr Vetrone. — (I) It was my intention to table an amendment asking the Commission to study this problem. However, I had never envisaged an authority, but rather a European 'office' for meat, to guarantee the quality and quantity of market supplies, and at the same time control intra- and extra-Community trade.

I particularly have in mind the compensatory amounts, which I think should be abolished, especially in this sector, and another point which concerns my own country—that is to say, the fight against the oligopoly of importers.

I think, nevertheless, that we could be equally satisfied if Mr Lardinois gave assurances that the problem will be studied and will be considered during the debate on the review of the common agricultural policy.

President. — I call Mr Baas.

Mr Baas. — (NL) Mr President, I should like to advise the Assembly at this stage of the debate to support Mr Howell's amendment. We are all convinced that the meat market policy in particular has left something to be desired in the period we have just gone through. Any attempt to come to a better organization of this market is to be welcomed. Whether this ought to take place through a marketing-board with certain powers or in another way has been left completely open in Mr Howell's amendment. He asks only for further study, and I think that we as a Parliament ought to say now that we want this, and that this question too is an essential one in the possible evaluation of the market and the measures that Mr Lardinois is preparing at the moment.

I should have thought that it would be a good thing if Parliament at the moment were to speak in favour of a possibility for better functioning of the market. In the Committee on Agriculture, we have also talked about this several times, and

Baas

I am in full agreement with Mr Howell that further study is urgently necessary on just this point.

I would therefore ask the Assembly to consider supporting this amendment by Mr Howell.

President. — I call Mr Martens.

Mr Martens. — (NL) Mr President, I, too, have a lot of sympathy for Mr Howell's amendment. Last year, in September—or was it July?—I myself asked Mr Lardinois to make a study of the farm-gate price and the price to the consumer. And we got that.

For this reason, I also think that the question can be dealt with in connection with the drawing up of the agricultural policy inventory. I do object, however, to the fact that both production and distribution are talked about here. Production comes under the common agricultural policy, but distribution is a matter of national policy.

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission of the European Communities. — (NL) Mr President, during the discussion I did not reject the idea of marketing-boards, or in general, the idea of bringing in the trade, even into production and distribution policy. Personally, I find the amendment as worded now too limited. It is merely a legal authority which is mentioned. Even in Great Britain, this has not been achieved in the particular case of meat. The marketing-boards in Great Britain sometimes work excellently, but no one has yet dared to set one up for meat in any country. Can I put it this way: if the amendment is worded more broadly, allowing the involvement of the trade in controlling the markets for production and distribution, then I would advise Parliament to accept the amendment. At the moment, however, I have some objections because of the narrow wording.

President. — I call Mr Lange.

Mr Lange. — (D) I must apologize for intervening at this stage of the discussion, but there is a question which concerns the proposer of this amendment, which concerns the Commissioner, and which concerns those who support this idea. Where does the agricultural policy end, where does the agricultural economy end, and how far do these things, perhaps, extend into the commercial sector? And if they do, to what extent will the commercial sector go on, under the influence of agricultural policy, to distort other sectors of the economy? This is the question we need to ask ourselves here, ladies and

gentlemen, and may I remind you that certain wishes, ideas and measures have caused us to accumulate a considerable amount of experience over the past twenty years. I therefore urge the Commission, if it is ready to study this kind of thing, to take this viewpoint into account, so that we do not one day find ourselves with a motor-car marketing-board, for example—I apologize for being flippant—because of difficulties arising in certain commercial sectors. There might well be a great deal of envy and jealousy, and everything we had ever said about freedom of the market and the regulating function of competition would sink without trace. This is the inevitable result if we do not draw a definite line.

So I do ask that this be kept in mind. For myself, I could not even agree to a study being made of such a proposal.

President. — I call Mr Carpentier.

Mr Carpentier. — (F) Mr President, ladies and gentlemen, I would not have taken the floor if I did not consider this problem to be extremely important.

New ideas always crop up from time to time. I would remind Parliament of what was done in France in 1936, when the government of the time set up the National Wheat Board, which was at first spurned, mainly in agricultural circles. Its purpose was to create order where there was disorder, and to guarantee the incomes of wheat producers. And then, gradually, it was realized that in fact it guaranteed the stability of incomes which were no longer at the mercy of changes in the market.

Without knowing the exact scope of Mr Howell's proposal, I personally agree to the principle of setting up a controlling body that will in the long term assure European farmers of guaranteed incomes.

President. — I call Mr Durand.

Mr Durand. — (F) Mr President, I should like to say, quite briefly, that we should not waste our time discussing utopias. Mr Monnet, then Socialist Minister of Agriculture, who created the National Wheat Board in 1936, also thought of creating a National Meat Board. He met with so many difficulties, however, that he gave up the idea.

Without a doubt, the retort to that will be that much water has passed under the bridge since the creation of the National Wheat Board. Nonetheless, the difficulties remain: it is as difficult, if not impossible, to stock live products as it is easy to stock cereals and the like.

President. — I put Amendment No 2/rev./II to the vote.

Amendment No 2/rev./II is rejected.

Still on paragraph 4, I have two amendments which can be considered jointly:

— Amendment No 11, tabled by Mr Liogier, Mr Hunault, Mr Cointat and Mr Gibbons on behalf of the Group of European Progressive Democrats and worded as follows:

• 'Add the following text to this paragraph:

"and asks that the period of application of the safeguard clause be extended until such time as prices reach a remunerative level;"'

— Amendment No 16, tabled by Mr Bourdellès, Mr Durand, Mr Durieux, Mr Houdet, Mr Jozeau-Marigné and Mr Premoli on behalf of the Liberal and Allies Group and worded as follows:

'Add the following text to this paragraph:

"and asks that the period of application of the safeguard clause be extended until such time as prices reach a remunerative level;"'

I call Mr Liogier to move Amendment No 11.

Mr Liogier. — (F) Mr President, before the crisis we had to proscribe excessive imports of beef and veal, while at the same time farmers were encouraged to industrialize their meat production despite very high production costs. The result was that cattle that did not fit in with Community consumer requirements were very quickly used for freezing. We want to avoid such mistakes in the future. To encourage producers to supply the market, the Commission must assure them that the period of application of the safeguard clause will be extended until such time as prices reach a remunerative level.

President. — I call Mr Durand to move Amendment No 16.

Mr Durand. — (F) Mr President, my amendment is absolutely identical to Mr Liogier's, and I am somewhat hesitant to speak, since I feel it is better to listen than to speak.

We tabled an amendment on behalf of the Liberal and Allies Group because one of our main preoccupations was, if not the hierarchy of products—I do not want to upset Mr Lardinois—at least the maintenance of the safeguard clause.

If, in fact, the clause were abolished and we were faced with large imports of meat, as was the case last year, no measures to protect stock-farming would be effective. The situation in this sector seems to be improving slightly, even

though imports from East European countries are still flooding our market. That is why we hope that great circumspection will be shown.

President. — I put Amendment No 11 to the vote.

Amendment No 11 is rejected. Amendment No 16 accordingly falls.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

On paragraph 5 I have Amendment No 22, tabled by Mrs Orth on behalf of the Socialist Group and worded as follows:

'This paragraph to read as follows:

"5. In view of the importance of milk and dairy products as basic foodstuffs, considers the proposed price increases excessive, and doubts, furthermore, whether they bring about an improved market equilibrium for butter;"'

I call Mrs Orth to move this amendment.

Mrs Orth. — (D) Mr President, ladies and gentlemen, there has been a great deal said already today about milk, and one would be right in commenting that milk remains, all the time it is being talked about, the European Community's biggest headache. All the measures that have been taken to solve the problems in this particular sector have not really resulted in the difficulties being overcome; at most, they have been prevented from getting worse.

Mr Frehsee has already pointed out that, in the case of milk in particular, price increases have had a very severe effect on consumer prices. When during our debate today we spoke of farmers' incomes and about the undeniably sad state of agriculture, one could often have got the impression that things would be grim for everyone working on the land, while for everyone employed outside agriculture life was a bed of roses. Perhaps we might give thought for a moment to the fact that in the Community at this moment there are more than four million unemployed, all of whom have had to cut back their standard of living in recent months, not improve it. I mention this in connection with milk, because milk is an essential foodstuff. It is beyond a doubt the most valuable part of our diet, and in a family with small children it cannot be done without. Yet precisely the families with small children, who have nothing else to put in the place of milk, are preponderantly those with the lowest incomes, since these are young couples and families with a large number of children; and when we are raising prices we ought to give a thought to the consumer.

Orth

Perhaps I might offer one further comment: in my own country, the price of whole milk is at present higher than that of lemonade and cola drinks. This means that it is hard to persuade the consumer to drink more milk; he tends rather to change over from milk to other drinks when it is just a matter of feeling thirsty. We are not against some rise in the price of milk, but we do feel that the proposed increase is too much; for the rest, the amendment speaks for itself, and I ask the House to vote in favour.

(Applause from the Socialist Group)

President. — What is the rapporteur's position?

Mr De Koning, rapporteur. — (NL) Mr President, in view of the increasing costs of dairy production, I think the proposed price rise is certainly not too large, and also that the Commission has rightly endeavoured, in distributing the price rises over milk, fat and protein, to adjust to the market situation.

I therefore think the amendment ought to be rejected.

President. — I put Amendment No 22 to the vote.

Amendment No 22 is rejected.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

On paragraph 6 I had Amendment No 3, tabled by Mr Scott-Hopkins on behalf of the European Conservative Group and worded as follows:

"This paragraph to read as follows:

"6. Considers it would greatly assist a better balance within the cereal market if the market were divided into 'milling grains' and 'fodder grains' with a single price level for each of the two categories, with the exception of 'durum wheat', which is a special category similar to imported hard Canadian Manitoba No 1 wheat and requires similar premium treatment."

The author has informed me, however, that he wishes to withdraw his amendment.

I put paragraph 6 to the vote.

Paragraph 6 is adopted.

On paragraphs 7 to 9 I have no amendments.

I put them to the vote.

Paragraphs 7 to 9 are adopted.

On paragraph 10 I have two amendments:

— Amendment No 12, tabled by Mr Liogier, Mr Hunault, Mr Cointat and Mr Gibbons on

behalf of the Group of European Progressive Democrats and worded as follows:

"This paragraph to read as follows:

"10. Considers that in the vine sector intervention and guide prices should be fixed at a sufficiently high level to ensure vine growers a normal income;"

— Amendment No 23, tabled by Mr Laban on behalf of the Socialist Group and worded as follows:

"Delete the first part of this paragraph up to and including the words 'type R 1 table wine,'"

At the end of the second part of this paragraph, add the following text:

"considers therefore that the proposed price increase is too high to enable market equilibrium to be restored."

I call Mr Liogier to move Amendment No 12.

Mr Liogier. — (F) Mr President, having explained my views at considerable length during the general debate, I do not feel there is any need to repeat myself now.

President. — I call Mr Laban to move Amendment No 23.

Mr Laban. — (NL) Mr President, I shall gladly defend this amendment with definite arguments. The data are to be found in sufficiency in the report on agriculture in the Community for 1974 and in the last wine report. These documents point out that whereas the surpluses and shortages used to alternate, for the last ten years there has been an overproduction of wine in the Community. The increase in production in the Community since 1961-62 has been 4.21 per cent on average, while internal consumption in the EEC has risen by only 1.14 per cent. Exports do not reduce this difference much. Moreover, the surplus has increased still further because of the slight fall in wine consumption in France and Italy. These countries account for 85 per cent of Community consumption. This has caused enormous surpluses of wine. To give an example: under the Community regulations, in France in 1974, 5 million hectolitres of wine were distilled, and in Italy 3 million, and at the national level, a further 2 million in France and 2 million in Italy, making 12 million hectolitres of wine altogether. It is clear that this cannot go on.

The Commission wine report also says that market equilibrium cannot be restored without a definite slackening in the rise of production. It then rightly says that the point is to improve quality without increasing production quantitatively. Mr President, it is clear that I am in

Laban

agreement with this, and this is the reason why the price rise proposed seems to us to provide no incentive to reduce or even stabilize production. We therefore ask Parliament to accept our amendment, so as to make at least a small contribution to stabilizing the wine market.

President. — What is the rapporteur's position on these two amendments?

Mr De Koning, rapporteur. — (NL) Mr President, I think that neither amendment takes much account of the fact that, in the price policy, in this sector too, we have to take both the income situation and the market situation into account. I think that Mr Liogier's amendment takes too little account of the market situation, while Mr Laban's amendment takes too little account of the income situation. Special measures are indeed necessary to relieve pressure in the wine market and restore market equilibrium, but these measures will have to be elsewhere than in prices. I advise Parliament to reject both amendments.

President. — I call Mr Vetrone.

Mr Vetrone. — (I) Mr President, I am against Mr Laban's amendment. He has drawn our attention to the quantities of wine which are to be distilled, but he should have gone on to stress that the Community imports at least 6 million hectolitres of wine. Clearly Mr Laban is thinking of Chianti wine, which should normally be made in Tuscany but which according to recent press reports appears to be being produced in Holland. If this is the kind of wine he is talking about, then we can accept a reduction in price, but if he means authentic wine, a price reduction is out of the question.

President. — I put Amendment No 12 to the vote.

Amendment No 12 is rejected.

I put Amendment No 23 to the vote.

Amendment No 23 is rejected.

I put paragraph 10 to the vote.

Paragraph 10 is adopted.

On paragraph 11, I have no amendments.

I put this paragraph to the vote.

Paragraph 11 is adopted.

After paragraph 11, I have Amendment No 4, tabled by Mr Scott-Hopkins on behalf of the European Conservative Group and inserting a new paragraph 11a worded as follows:

'11a. Believes that the Commission should review the Community regime for pig-meat in view of its lack of sensitive response to the market trends, world food price levels and the requirement to relate production to consumption at fair and reasonable prices which would give a realistic return to the farmer and stability to the market.'

I call Mr Kirk to move this amendment.

Mr Kirk. — Mr President, this is a modest amendment asking the Commission to review the present regime for pig-meat. I do not suppose there is a single Member of this House who is satisfied with the present pig-meat regime, although we may have differing views as to how it could be resolved. I think the basic problem is its lack of sensitivity in responding to outside factors, particularly feedingstuffs, which account for 70 per cent of the total costs of producing pig-meat. It is this that has caused the notorious pig cycle, which is neither good for those who are producing pig-meat nor good for those who are consuming it because of the fluctuations that it has caused. It is absolutely essential that we should find some way, in the interests of both producers and consumers, of producing a less cyclical effect in this particular sector. All we are asking for in this amendment is that the Commission should review the present regime and see if it can produce one which is slightly more sensitive to trends which affect the price, in particular world food price levels and the necessity to relate production to consumption at fair and reasonable prices. I would not have thought that any Member could possibly object to this. I am sure the Commissioner would agree that if he could find a solution he would welcome it as much as I and, indeed, every Member would. What we really wish to stress in this amendment is the need to have a look at this problem again and see if we cannot find a solution.

President. — What is the rapporteur's position?

Mr De Koning, rapporteur. — (NL) Mr President, Mr Kirk speaks about a modest proposal. I think this is a rather ambitious amendment, since it wants both to stabilize the market for pig-meat and to guarantee a realistic return to the farmer. These are two goals that we have always been striving for, and are far from reaching yet.

I am doubtful of the possibility of implementing this amendment, but I should like to hear Mr Lardinois' opinion before advising Parliament.

President. — What is the Commission's position?

Mr Lardinois, member of the Commission of the European Communities. — (NL) Mr President, I should like to advise against adopting this amendment. I can imagine that Mr Kirk has made this proposal in view of the very bad experience with pig-meat in Great Britain, and also Ireland and Denmark, over the last year. This, however, had, in fact, very little to do with the common agricultural policy, but more with the runaway world market prices for cereals, especially in the new Member States. Since our régime is hardly, or rather not at all, applied in Great Britain, no good results have been obtained there. In general, I am of the opinion that, in the pig-meat sector, we have to be particularly careful with market regulations, since, in the case of this product, which is not based on the land, they may very rapidly lead to a worsening of the situation and to over-production, instead of improvements.

I would therefore advise against adoption of this amendment.

President. — I put Amendment No 4 to the vote.

Amendment No 4 is adopted.

On paragraph 12, I have no amendments.

I put this paragraph to the vote.

Paragraph 12 is adopted.

On paragraph 13, I have Amendment No 24/rev., tabled by Mrs Orth on behalf of the Socialist Group and worded as follows:

"This paragraph to read as follows:

"13. In view of the evolution of world sugar prices, considers the envisaged increase in sugar and sugar-beet prices excessive, but demands that the increase to apply from 1 February 1975 be passed on in its entirety to the producers who supplied sugar-beet during the 1974-75 marketing year."

I call Mrs Orth to move this amendment.

Mrs Orth. — (D) Mr President, here again my group feels that the sugar price increase has really antisocial effects, because it falls on the consumer alone. Sixteen percent more is being asked for here, and this will once again hit those who are financially least able to cope. And besides, a lot of things have been done for the sugar-beet grower through Commission measures in another sphere, such as an extension of the quotas and the assimilation of B-sugar to A-sugar.

Mr Lardinois at one time told the committee that this big increase in the price of sugar was wanted to cut back demand; but the fact is that the world sugar shortage that seemed to threaten

us at that time has proved not nearly so bad as was feared, and the world price for sugar is now even showing a downward trend. In our opinion, this paragraph should also say that we do not agree to the excessive sugar-beet and sugar prices, although on the other hand we do want to see producers get the benefit of the price increase of 1 February for sugar.

President. — What is the rapporteur's position?

Mr De Koning, rapporteur. — (NL) Mr President, I think this amendment takes too little account of the market situation. The world market price for sugar is still considerably higher than in the EEC. Nor do I personally attach very much value to the considerable short-term fluctuations in the world prices. It seems to me that they are based more on speculative than on market considerations. Moreover, in the coming period in the EEC, we need some supplementary production. I therefore have objections against the first part of this amendment, and the second part of the amendment seems to me to be utterly superfluous after Mr Lardinois' various explanations.

President. — I call Mr Cipolla.

Mr Cipolla. — (I) Mr President, on this point both the Commission's text and the amendment state that the sugar price increase planned from 1 February 1975 should be passed on to the producers who supply sugar-beet during the 1974-75 marketing year.

This statement, in my opinion, is designed to confuse the issue. It is part of the mess the Common Market in Agriculture is in, which Mr Zeller has described. In Italy, a large part of the sugar which has been produced has already been consumed. Can we go running after the producers after 1 February to pay them the difference from the previous price for sugar they have already sold? If the Council of the Communities—in spite of the promise made by the Italian ministry to our farmers, that in no circumstances would they agree to this measure—if the Council agree to the Commission's proposal, the price increase will go to those who actually possess the stocks of sugar, that is to say, to everyone except the sugar-beet growers. This is the truth of the matter. To say that this increase will go to those who supplied sugar-beet is a lie. Such a statement is untrue and impossible.

Why not just say openly that the increase is intended for sugar industrialists? Perhaps, in addition to the various dogmas of the Catholic Church, the dogma of the sugar monopoly is one

Cipolla

of the things which unite the Christian-Democratic Group.

We are just trying to fool one another if we say different things.

President. — What is the Commission's position?

Mr Lardinois, member of the Commission of the European Communities. — (NL) When we talk about sugar, Mr President, then some southern blood in this Assembly gets rather hot...

(Vigorous reactions from the Left)

It is, of course, clear that the price of sugar which has been sold can no longer be raised. For the quantity of sugar brought to market after 1 February, the sugar mills must pay out a proportionate share to the suppliers of sugar-beet. That is the regulation and, in this respect, we have all the mills—and there are not too many of them in the Community—well under administrative control.

I really asked for the floor since it has been said that the sugar price may well fall on the world market. That is true, but we must, of course, keep things in proportion. Two months ago, the world sugar price was six times as high as the guarantee price in the Community, and now it is only three times as high. There is still a big gap to be bridged, and I am therefore of the opinion that some price adjustment may well play a very useful part for equilibrium.

President. — I put Amendment No 24/rev. to the vote.

The amendment is rejected.

I put paragraph 13 to the vote.

Paragraph 13 is adopted.

On paragraph 14, I have no amendments.

I put this paragraph to the vote.

Paragraph 14 is adopted.

After paragraph 14, I have Amendment No 5, tabled by Mr Scott-Hopkins on behalf of the European Conservative Group and inserting a new paragraph 14a worded as follows:

'4a. Invites the Commission to submit proposals to zero-rate certain agricultural products in all Member States as an important aid in the fight against inflation.'

I call Mr Kirk to move this amendment.

Mr Kirk. — Mr President, the object of this amendment is not only to introduce a new paragraph but to express a certain element of consistency in Parliament's thinking on the question of the zero-rating of value-added tax.

Parliament will recall that last year, when discussing the 6th directive, we adopted an amendment moved by Mr Scholten on behalf of the Christian-Democratic Group which allowed a zero rate in certain cases on value-added tax. At that time, the United Kingdom, I think, was the only country within the Community which had a consistent zero rate on all food products within the Community. Since then, value-added tax has been applied at certain rates to certain commodities in the United Kingdom. Equally, however, there are other countries which apply zero rates to other food products — most notably France on beef by a *décret* of 20 December 1972. It looks unlikely that the Council is prepared to agree to the 6th directive in its entirety. We think, therefore, that it is important, particularly in view of the fact that the Foreign Secretary of my own country, with whose views I do not always necessarily agree, has recently said that harmonization of value-added tax is likely to be postponed to the Greek calends. We think that the Commission should be invited to submit proposals for zero rating in this field, and it is for that reason that we have put down this amendment, which would enable them to do so, not only because we feel it is right in itself in the interests of the consumer, but also because we feel it would be a help in the fight against inflation.

President. — What is the rapporteur's position?

Mr De Koning, rapporteur. — (NL) Mr President, the proposer of this amendment certainly is very well aware that the tariff level is not yet a matter of Community policy. Any of the Member States is still free to set its own tariff level, although a Parliament resolution did leave open the possibility of a zero tariff.

I realize, however, like the proposer of this amendment, that in some Member States this will have considerable consequences for the national treasury. Having regard to both these considerations, I feel I cannot recommend the adoption of this amendment.

President. — What is the Commission's position?

Mr Lardinois, member of the Commission of the European Communities. — (NL) Mr President, a couple of months ago we made a recommendation in this direction for a zero tariff on beef and veal. The Council did not accept this. I don't know whether we ought to move into the vacuum again, but I agree with Mr Kirk that this can fulfil a very useful function for some products in some market situations.

President. — I put Amendment No 5 to the vote.

Amendment No 5 is adopted.

(Applause from the European Conservative Group)

On paragraph 15, I have no amendments.

I put this paragraph to the vote.

Paragraph 15 is adopted.

On paragraph 16, I have Amendment No 6, tabled by Mr Howell and worded as follows:

"This paragraph to read as follows:

"16. Regrets the introduction of the special aid measures proposed for young farmers."

I call Mr Howell.

Mr Howell. — Mr President, I beg leave of the House to withdraw this amendment. Although it reflects my views on this matter and I think it wrong to have demarcation by age, I believe that this is open to misunderstanding and I wish to withdraw.

President. — Amendment No 6 is accordingly withdrawn.

I put paragraph 16 to the vote.

Paragraph 16 is adopted.

On paragraphs 17 and 18 I have no amendments.

I put them to the vote.

Paragraphs 17 and 18 are adopted.

On paragraph 19, I have three amendments, namely:

— Amendment No 29, tabled by Mr Früh, Mr Aigner, Mr Härzschel, Mr Artzinger, Mr Springorum and Mr Schwörer and worded as follows:

"The last part of this paragraph, after the words 'monetary compensatory amounts can be abolished only', to read as follows:

"if cost and income trends in the Member States so indicate; in view of the unsatisfactory income trends in agriculture in countries with a revalued currency and the uncertainty in the monetary sector, considers unacceptable any reduction in the compensatory amounts;"

— Amendment No 19, tabled by Mr Martens and worded as follows:

'Amend the end of this paragraph after the words "as a first immediate step" to read as follows:

"a reduction by one quarter of the remaining monetary compensatory amounts as from 1 February 1975, accompanied by an extension by one year of the direct compensation made by the Federal Republic of Germany through VAT in connection with the 1969 revaluation;"

— Amendment No 25/rev., tabled by Mr Lagorce, Mr Brégégère, Mr Leenhardt, Mr Carpentier, Mr Spénale and Mr Didier and worded as follows:

"The last part of this paragraph, after the words "... cost trends in the Member States so indicate;" to read as follows:

"considers that, in view of the divergent cost trends in the Member States, the adjustment of certain 'green currencies' in a number of Member States must be aimed at, with, as a first immediate step, a reduction of 6% in the representative rate of the 'green franc' and an increase of 3% in that of the 'green D-Mark' accompanied by an extension by one year of the direct compensation made through VAT in connection with the 1969 revaluation;"

On the same paragraph I had also Amendment No 26, tabled by Mr Frehsee and Mr Laban on behalf of the Socialist Group and worded as follows:

"The last part of this paragraph, after the words "... cost trends in the Member States so indicate;" to read as follows:

"considers that, in view of the divergent cost trends in the Member States, the adjustment of certain 'green currencies' in a number of Member States must be aimed at, with, as a first immediate step, a reduction of at least 3.5% in the representative rate of the 'green franc' and an increase of 3% in that of the 'green D-Mark' accompanied by an extension by one year of the direct compensation made through VAT in connection with the 1969 revaluation;"

The authors have informed me, however, that they wish to withdraw their amendment.

I call Mr Früh to move Amendment No 29.

Mr Früh. — (D) Mr President, Ladies and Gentlemen, my colleagues and I propose in this amendment that cost and income trends both be taken into account when there is a question of reducing the compensatory amounts. While the subsequent text of paragraph 19 works only from the basis of cost trends, we say that the cost and income trends in the countries with a revalued currency do not at the present time justify cutting back the compensatory amounts; and taking this standpoint we believe—and I want to stress this, because it forms the crux of our amendment—that it would be unfair to reduce the positive border compensation, especially since we feel that adverse or divergent cost trends in countries with a devalued currency can be offset by an alteration of the 'green currency' rate.

President. — I call Mr Martens to move Amendment No 19.

Mr Martens. — (NL) Mr President, the aim of this amendment is very simple—namely, to avoid

Martens

the wording of the paragraph in its present form giving the impression that it is directed only at Germany. Here, only 3 per cent for the revaluation of the green DM is mentioned. In our wording we meant the same thing, since 3 per cent is a quarter of 12 per cent. To avoid any discrimination, we propose that this quarter be applied to all states which might be involved. This is the point of the amendment.

President. — I call Mr Carpentier to move Amendment No 25/rev.

Mr Carpentier. — (F) Mr President, ladies and gentlemen, the idea behind this amendment is given in the first paragraph. We French Socialists feel that prices should be increased by not less than 15 per cent. If, taking account of the 9 per cent increase, the representative rate of the 'green franc' is reduced by 6 per cent, we have an increase of 15 per cent. That, in our opinion, is a minimum rate of compensation and the minimum for ensuring greater equality between the incomes of farmers and those of other socio-professional categories.

President. — What is the rapporteur's position on these three amendments?

Mr De Koning, rapporteur. — (NL) Mr President, as regards the amendment by Mr Früh, I can point to the introduction I made this morning. I devoted a considerable part of it to giving the reasons why our committee now thinks that a beginning must be made in abolishing the monetary compensatory amounts as far as the Federal Republic is concerned. I therefore think that Mr Früh's amendment must be rejected.

The aim of Mr Martens' amendment is the same as that of the text the Committee on Agriculture itself drew up. The amendment, in fact, takes away a certain impression of one-sidedness which might be created by the Committee on Agriculture's text. I think that the amendment by Mr Martens is very close to the Committee on Agriculture's text, and contains an improvement, so that I can take it on my own responsibility to recommend its adoption.

As regards Amendment No 25, by Mr Lagorce and others, I should like to observe that it is unfair to make France take such a big step in adjusting the 'green franc' to the value of the normal franc. I think we must also bear in mind the consequences this has for the French economy. I think this amendment must be rejected.

President. — I call Mr Carpentier.

Mr Carpentier. — (F) I do not think there is anything unusual about this amendment. It merely states what is in fact happening to the French currency: devaluation is between 7 per cent and 8 per cent, and we are requesting that the representative rate of the 'green franc' be reduced to 6 per cent.

Mr De Koning, if there is disagreement at national level, we shall ourselves accept responsibility. It is not up to you to say whether what we are proposing is good or bad at this level.

President. — I call Mr Zeller.

Mr Zeller. — (F) I should like to comment on Mr Carpentier's amendment.

I am very surprised that a Socialist member recommends such a large unilateral and general increase in prices. It is known that a very large price increase merely has the unfavourable effect of widening the gap between the income levels of the various categories of farmers.

President. — I put Amendment No 29 to the vote.

Amendment No 29 is rejected.

I put Amendment No 19 to the vote.

Amendment No 19 is adopted.

Amendment No 25/rev. accordingly falls.

I put paragraph 19, so amended, to the vote.

Paragraph 19, so amended, is adopted.

On paragraphs 20, 21 and 22, I have no amendments.

I put these texts to the vote.

Paragraphs 20, 21 and 22 are adopted.

Does anyone wish to speak?

I call Mr Laban to explain his voting intentions.

Mr Laban. — (NL) Mr President, I have already brought out this morning the fact that the crude assertion of paragraph 1 of the motion for a resolution, according to which the price proposals made by the Commission are clearly inadequate, might prevent part of my group from voting for the resolution as a whole.

Paragraph 1 has since been adopted. Moreover, paragraph 5 is in favour of a total increase in the milk price as from 1 February 1975, as against the Commission's proposal. For this reason I must unfortunately declare on behalf of part of the Members of my Group present here that we shall vote against the motion for a resolution. Proportionally speaking, this would

Laban

have applied to an even larger part of the group if more members had been present here. You may take that from me.

President. — I call on Mr Carpentier to explain his voting intentions.

Mr Carpentier. — (F) Mr President, it is true that some members of the Socialist Group have expressed reservations on some points and voted against others. It would therefore seem logical to expect us to vote against the motion. We do not find it satisfactory—far from it; but we feel it could be improved and that in any case it does embody some definite results. Even if the French are not satisfied because prices are not increased by 15 per cent, they feel that an effort has been made, and that is why some of us will vote in favour of the motion for a resolution before us.

President. — I put to the vote the motion for a resolution as a whole, incorporating the various amendments that have been adopted.

The resolution so amended is adopted.¹

Thank you, Mr Lardinois.

5. Directive on mountain- and hill-farming and farming in certain less-favoured areas

President. — The next item on the agenda is a debate on the report drawn up by Mr Della Briotta, on behalf of the Committee on Agriculture, on the proposals from the Commission of the European Communities to the Council for

- I. a directive completing the provisions under Title V of the Directive on mountain and hill farming and farming in certain less-favoured areas adopted by the Council on 21 January 1974, and
- II. eight directives concerning the Community list of less-favoured farming areas within the meaning of the Directive on mountain and hill farming and farming in certain less-favoured areas adopted by the Council on 21 January 1974

(Doc. 439/74).

I call Mr Della Briotta, who has asked to present his report.

Mr Della Briotta, rapporteur. — (I) Mr President, dear colleagues, I have been authorized by the Committee on Agriculture to present orally the report asking Parliament to approve 8 direct-

ives concerning the Community list of less-favoured farming areas within the meaning of the directive on mountain and hill farming and farming in certain less-favoured areas and a directive completing the provisions under Title 5 of the same directive. I hope that this decision to present the report orally, made necessary by the Commission's delay in submitting this matter to us, will be considered as a sign of our Parliament's political cooperativeness, and pave the way for its final adoption by the Council.

For years now, indeed for too many years, there has been talk of the need for Community action on mountain and hill farming and farming in other less-favoured areas. Various approaches have been taken, some of them stressing—as I and many others have done—that this might be a beginning, a spur to a new kind of agricultural policy not based solely on prices. I know that many would disagree with this view of the problem, but in May 1973 Parliament unanimously approved the proposal for a directive recognizing the necessity to provide Community and national incentives—based on Community criteria—to farming in these areas to help it to overcome specific handicaps. And this is the point of departure, whatever interpretation one wishes to give it.

In the text of the basic directive, Articles 2 and 3 indicated a series of criteria for establishing the boundaries of the three types of area—mountain and hill areas, 'less-favoured' areas and small areas subject to specific handicaps, for which a special system of aids was proposed.

It was also laid down that Member States would communicate these boundaries to the Commission, which would then put them before the Council for approval according to the procedure laid down in Article 43 of the Treaty.

For mountain and hill farming areas the directive, besides mentioning the accepted fact that farming is needed to conserve the countryside, set out the following conditions:

1. They must first of all have an adequate infrastructure—i.e., access roads, water electricity and, in tourist areas only, water-purifying plants, and if they are lacking the state must undertake to provide them;
2. In the local government districts concerned, there must be steep slopes which make the use of machinery difficult;
3. The growing-season must be substantially reduced by climatic conditions due to altitude.

If one of the last two factors (steep slopes and reduced growing-season) is less than the limit laid down, the other must be proportionately more acute.

¹ OJ No C 32 of 11. 2. 1975.

Della Briotta

For less-favoured areas not included in the first category, paragraph 4 of Article 3 requires, in addition to the necessary infrastructures, as for mountain and hill areas, that the following conditions also be fulfilled:

1. Poor land, limited yield capacity which cannot be increased except at excessive cost;
2. Poor yields, substantially lower than average;
3. Low population density, or dwindling population dependent on agriculture, such that an increase in the rate of depopulation would jeopardize the future of the area.

For other areas not in mountain or hill areas, to be treated as less-favoured areas for specific reasons, the directive merely stipulated that the total extent of such areas could not, in any Member State exceed 2.5 per cent of the area of the state concerned.

I do not think there is any need to compare the text approved by our Parliament in May 1973 and the one adopted by the Council on 21 January 1974. I merely point out that the Council text took our proposals into account, except for reservations on the financial side, where it was our opinion that the Community contributions should be fixed at 50 per cent, while the Council left the matter open, stating a minimum of 25 per cent and a maximum of 50 per cent.

In accordance, then, with the procedure laid down in Article 2, we have received the proposals which the governments of 8 of the 9 countries (excluding Denmark, which has chosen not to use these measures) have submitted to the Commission, on the basis of the criteria which I have mentioned. A first consideration of the areas reveals that the factors used by the states were not homogeneous on a Community level. This was a difficult problem, except for the mountain and hill farming areas, where indisputable geographical facts could be used, such as altitude, or other less certain but still objectively verifiable factors, such as vegetation. Leaving on one side the problem of areas suffering from specific handicaps as being of less importance since they cannot include more than 2.5 per cent of the area of the state, the problem was very difficult for less-favoured areas, that is to say, those whose characteristics are mentioned in paragraph 4 of Article 3. The definition of areas has not yet been completed for Luxembourg, and some problems are still to be resolved for France.

The Commission, in agreement with the Council, has stated the following requirements for mountain areas:

1. Altitudes above 600 - 800 metres, these limits to be used also to determine the length of the

growing-season, which is also affected by the degree of latitude and other factors. For instance, for Germany it is considered that the growing-season is reduced above 600 metres, and that this limit could be raised to 700-800 metres in the south of Italy;

2. Average slopes of 20 per cent over at least 2 km.

When one of the two handicaps (altitude and slope) is lower than the limit, the other must be proportionately more acute in order to attain the required overall average handicap.

For less-favoured areas, the Commission, stressing the lack of any standards at Community level or any objective Community criteria except demographic indices, which are not significant in themselves, has accepted certain economic indices used in individual states which, although different, have nevertheless the advantage of allowing a comparison of the situations of different regions in a Member State:

For its part, the Commission considers that land can be considered infertile if yields of grass or, in exceptional cases, of cereals are lower than the Community average, if the value of the land is low, or if the index of land values is considerably below the national average.

On the other characteristic—below-average economic results of farms—the Commission gives as economic indicators gross farm income, net farm income, labour income or, as mentioned, more complex indicators.

These criteria could be discussed *ad infinitum*, but the Commission has chosen those which are most easily identified.

As requirements concerning low density or dwindling population predominantly dependent on agricultural activity, the Commission indicates a maximum number of 75 persons per square kilometre or less than half the national average population density. These are fairly wide limits, which the Commission justifies by the fact that it is impossible, in view of the various situations in the different countries, to find a single Community criterion. For a dwindling population, which is an alternative requirement, the rate must be 0.5 per cent per annum, and at the same time the agricultural population must be at least 15 per cent.

For small areas with specific handicaps, the Commission mentions poor drainage, the presence of excessive salinity in coastal areas or small islands, constraints on farming due to public regulations, and high costs of sea transport.

Della Briotta

Naturally, for less-favoured areas too, there must be adequate collective infrastructures or a commitment to provide them within a reasonable time.

The Commission justly attaches particular importance to this question, because it would be wrong to consider agricultural problems separately from more general economic and social development. This duty lies with the Member States, but the fact of making it conditional on the existence of these requirements or a promise to provide them, might be an important incentive and a means of bringing pressure to bear, which I welcome.

On the basis of these indications each state has drawn up the areas, using criteria and standards which seem to be in line with those of the Commission, though I will not go into them in minute detail. They could be discussed *ad infinitum*, very thoroughly, and it would be a very interesting discussion for those who are concerned with the problems of economic and agricultural policy. However, we are not economists and we must make sure above all that the result of this division into areas respects the criteria already approved and has the effects envisaged by the new Community rules on mountain areas and less-favoured areas.

We now turn our attention to the effects of the directive resulting from this division into areas—that is to say, the agricultural areas involved, the numbers of livestock eligible for compensatory allowances, and the costs, state by state, of the application of the directive: all this information is contained in the financial annex, which my colleagues can consult.

On the financing of these measures I would remind you—I have already mentioned this and I repeat it here—that our Parliament has already expressed the opinion that 50 per cent should be borne by the EAGGF, and we hope this will be confirmed by the Council, which previously indicated merely a minimum of 25 per cent and a maximum of 50 per cent.

My dear colleagues, the series of directives on which I have tried to give you a report could without any doubt be discussed at great length. There is probably also room for detailed criticism, based perhaps on personal knowledge, of the practical effects of adopting individual criteria. I could make some such criticism with regard to my own country, more especially to the region where I live, which is largely situated in a mountainous area, partly a very high mountain area; but I shall not do so, since I prefer to give an overall judgement. I would merely point out that for France reference is made to a list of less-favoured areas which are

not mentioned in the Community list but which should have no appreciable effect upon the financial estimates and that the Netherlands have the same problem, while for Luxembourg a total amount is given which, according to the Commission, will not be altered.

However that may be, it is, I think, in no one's interests to complain about this package. It is the result of a hardfought compromise, and, as Mr Lardinois has told us, is an integral part of the agreement on prices.

It is for these reasons that your rapporteur hopes that Parliament will agree with him in giving a generally favourable opinion on the directives containing the list of areas for each state and, in addition, the financial annex.

(Applause)

IN THE CHAIR: MR MARTENS

Vice-President

President. — I call Lord Lothian, deputizing for the draftsman of the opinion of the Committee on Budgets.

Lord Lothian, draftsman of an opinion. — Mr President, may I start by offering you an apology from my colleague, Mr Shaw, who has had to return to London and therefore is unable to present this opinion on behalf of the Budgets Committee, which he has asked me to do in his stead.

Mr President, we only saw the pretty large amount of documentation on these proposals for the first time last Monday evening, when it was too late to present a written report. It was therefore decided that we should report to the Parliament orally on the opinion of the committee.

I might say in passing that I think it is a matter for regret that these proposals came before us so very late in the day, because it is an extremely important matter that we are discussing. However, I shall—in view of the lateness of the hour—be extremely brief.

As the rapporteur has pointed out, this is a very widespread problem, and significant and quick action is essential. Because of the extent of the problem and the wide range of measures which are therefore envisaged to cope with the situation, the total outlay of just over 1 000 million units of account, although it seems large at first glance, does not really appear to be excessive. Moreover, less than half of this amount will be a charge on the budget of the Commu-

Lord Lothian

ities. The main measures envisaged are grants to compensate permanent natural handicaps, certain investment aids, help to joint investment schemes, assistance to mutual aid groups, and so on. The annual cost of the proposals has been estimated by the Commission to be, I think, about 339.4 million units of account. If you take the three years 1975-77, this adds up to 1 018 million units of account, and of this it is estimated that 482.5 million u.a. for the three years, or about 161 million u.a. annually, will fall as a charge on the EAGGF. Refunds will depend on the amounts spent by the Member States during a calendar year. Requests are to be submitted to the Commission before the end of June of the following year. Thus, the first refunds will fall to be made by the Guidance Section in 1976, and will, of course, depend on the amount that the Member States lay out in 1975. Consequently, there will be no charge on the budget during the 1975 financial year.

As I have said, the expenditure envisaged is, I think, not excessive when account is taken of the magnitude of the problems to be tackled and the number of cases involved, for it is estimated that there will be something of the order of 1 million farmers who will get on an average less than 200 u.a. per annum for the three years from EAGGF resources. I think one should point out that, from the budgetary point of view, the extent of the proposal and the large number of cases involved conjure up potential difficulties with regard to the control and auditing of expenditure, and the wealth of data provided in the Annexes makes it difficult to check out fully the financial details involved. However, the Committee on Budgets, when they considered the basic draft directive in April 1973, welcomed the proposal, because the situation in the mountain areas and other poor farming areas called for action on the part of the Community—and still does—and it was appreciated that assistance from the Community would be very much needed. And I may say that at last Monday evening's meeting the committee again endorsed the proposed special system of aids to encourage farming in the less-favoured areas, and it is our hope that the measures will be successful.

(Applause)

President. — I call Mr Brugger to speak on behalf of the Christian-Democratic Group.

Mr Brugger. — (D) Mr President, ladies and gentlemen, in this debate on the new farm prices we have had a vivid demonstration of what difficulties there are in continuing with a common agricultural policy following the abandonment of the currency 'snake'. In 1957, when the treaty

setting up the European Economic Community was signed, the biggest problem in bringing about a common agricultural policy probably appeared to be the widely-differing natural and structural conditions governing agricultural production in the various regions of the Community. One can deduce as much from the objectives set out in Article 39 of the Treaty. Directives 159, 160 and 161 of 17 April 1972 have made a substantial contribution to partially achieving this objective, insofar as this involves an improvement and alignment of agricultural structures in order to raise the productivity of farming throughout the Community. Yet it is impossible to cancel out the inherent differences that exist from the outset in productivity and opportunities for rationalization by recourse to structural measures alone. For the sake of preserving our land and our countryside, and indeed of protecting our environment as a whole, it has come to be recognized as necessary—indeed, essential—to make full use of farming even in those regions of the Community where there is no longer any question of making a real profit. Ways had to be found, therefore, of encouraging a continuation of farming in these areas, and of doing this without bringing the income of farmers in these less-favoured areas up to the level of incomes in modern farming, and yet making earnings better than in the past.

This is certainly the reasoning behind the directive on mountain and hill-farming and farming in certain less-favoured areas. As a result, all of the structural measures for raising productivity set out in Directive 159 are, to start with, to be encouraged by means of substantially greater backing from public funds, even though the outcome of this aid will seldom be such as to put productivity on a par with that of modern farms. It is, however, having a considerable effect in raising the working morale and endeavour of the farming community in these areas.

The directive furthermore provides for permanent compensation grants, according to the area of land under cultivation or the numbers of stock, for the less-fortunate farms in these areas; these are intended to compensate for the permanent natural handicaps they suffer. Even these grants will not put their incomes on a level with those on modern farms; but they can still represent a far from negligible supplement to the income of farmers who have so far had no share in the unchecked rise in prosperity but have remained content, while others in more favourably-placed areas will have to become more content, as seems likely from future developments.

I often wondered, when this directive was first discussed nearly two years ago, why the Com-

Brugger

mission was coupling measures to help mountain areas with those for other less-favoured regions. At that time, I would sooner have seen two separate measures. Now I have come to realize that the Commission was right. Not all the Member States have true mountain areas, but most of them do have less-favoured farming areas.

Virtually every Member State—with the exception, I believe I am right in saying, of Denmark—will draw benefit, even though only a modest one, from this directive. Every Member State would still, so it seems from our discussion, like to receive more from the Community than it gives to the Community. We must, within this Community of ours, come round to a more honest, European way of looking at things, and make an appropriate effort, even if doing so means sacrifices for us. This directive may, despite the unsatisfactory outcome of the discussion on farm prices, offer a glimpse of greater European solidarity in the future. This can be seen most of all from the financial annex to the directive.

The Member States with extensive less-favoured areas, such as the United Kingdom, Ireland or Italy, have, bearing in mind the meagre funds available—let us admit this—been taken account of to a more or less satisfactory extent. Yet the way in which this directive came into being does present some quite interesting features. We surely all remember what protracted discussion there was in this Parliament on whether to take the average agricultural yield of the Community or that of individual Member States as the basis for determining which were the less-favoured regions. In flat contradiction to a truly European agricultural policy, our Parliament at that time preferred the average yield of individual states over that of the Community.

The Council reached very sensible conclusions from the Parliament's discussion, and in Article 3, paragraph 4(b), achieved a sound compromise between the majority and minority views held in this House. So we must recognize that in this instance the Council and the Commission showed themselves prepared to act with a rather greater sense of European responsibility than did our Parliamentary majority. This ought, when we are striving to achieve real powers for the European Parliament, to be a salutary reminder to us. We seek to be the standard-bearer of progressive European thought and action, and we call for the powers needed for putting the concept of Europe-at-large into effect. If, when we come to actually expressing our will, we depart from this concept, people are hardly going to take our demand for real legislative powers seriously.

There is another interesting fact that needs to be highlighted in the sequence of approval of this directive. After the directive had been voted by the Assembly, the Council saw to it that it was speedily adopted. That happened way back on 21 January 1974—that is to say, almost a twelvemonth since. The directive did not come into force until the Member States wishing to make a claim on its provisions had, in accordance with Article 2, informed the Commission of the less-favoured regions in which the measures set out in Article 4 were to be applied, thus providing a proper basis for calculating the funds that would be needed.

So it has taken a year for all the states involved to be able to supply this information. The delay that has occurred is thus not due to the Community institutions, but has been caused by those Member States who were the last to give the Commission details of their less-favoured regions. As soon as the financial provisions now before us have been approved by the Council, the whole directive becomes effective.

There is one further special point I should like to make. The spheres in which the incentive measures provided for under this directive are to apply include part-income farming. It can be shown, taking examples from mountain areas in the less-favoured regions, that it is possible by encouraging additional non-agricultural sources of income to bring the earning potential from such part-income farming into line with that of a modern farming set-up.

I believe, therefore, that the special attention given in this directive to part-income farming is extremely important. Though the road to final implementation of this directive may be a long one, it must nevertheless be admitted that there have been considerable improvements made in it, when compared with the original text. The Commissioner concerned, Mr Lardinois, in particular, deserves heartfelt thanks for this.

As already indicated, the Christian-Democratic Group will vote for the entire content of this part of the overall directive.

President. — I call Mr Brewis to speak on behalf of the European Conservative Group.

Mr Brewis. — Mr President, I want very briefly to welcome this directive on behalf of my group. When we had our debate in May 1973, many of us emphasized the problem of the hill-farmers and other upland farmers, and I certainly do not want to repeat what was said on that occasion. Since then, the Commissioner has obviously not found it easy to transfer the criteria set out

Brewis

in Article 3 to the actual eligible areas on the map. I expect Mr Lardinois would agree that questions of climate and altitude make it impossible to enforce a rigid Community definition of what should be eligible for aid under this directive. But as far as Britain is concerned, I think we can be thankful to the Commissioner. Not only are we likely to be one of the biggest beneficiaries but, as far as my knowledge goes, the delineation of the disfavoured areas in Britain seems to be remarkably accurate.

It is, perhaps, a matter for regret that Denmark has not decided to apply this directive. Could the Commissioner confirm that if they changed their mind at some future time they would be able to get help from this directive, and could he give any indication of the sort of areas in Denmark—for example, the islands, perhaps even the Faroe Islands—that might be eligible for assistance in that country?

Finally, I want to ask him about the very detailed map he has produced. It is interesting to see that the north of our Community is nearly all green, while the south is mostly brown and, of course, there are small areas of orange as well. One can see from the key that these are the areas which come under the different paragraphs of Article 3, but am I right in thinking that the EAGGF contribution, the percentage grant, is the same whatever the colour on the map?

I would just like to say that this is going to be a valuable directive. It complements the new Regional Fund, and I believe that it reasserts the development areas wherever they may be situated.

President. — I call Mr Cipolla to speak on behalf of the Communist and Allies Group.

Mr Cipolla. — (I) Mr President, dear colleagues, I shall be very brief.

We shall not vote against this resolution, because we believe that any step forward, however small and limited, towards a policy for less-favoured areas should not be contested. We have no illusions about this being the beginning of a new policy, but we prefer to abstain on a provision which, in spite of its limitations and delay in reaching us, is presented as the crowning glory of a package which nevertheless involves many harsh and unpleasant features for the less-favoured areas in the Community, such as those we mentioned a short time ago.

Leaving aside the shortcomings of this provision, we feel that we must express reservations as regards the method used to define the areas.

I was privileged to take part in a visit to Sicily with the Committee on Regional Policy. The

chairman, Mr Hill, who is not here today, and other members of the committee were invited by the Regional Administration to visit some depressed regions of Sicily and, naturally, it chose for this purpose the areas most likely to demonstrate to the Regional Policy Committee the real level of depression in Sicily: this was the area of Palma Montechiaro, in the south of Sicily; this was the area chosen by the Sicilian Regional Government to give Parliament's committee first-hand knowledge of the real extent of underdevelopment, of the difficult conditions and so on in Sicily.

The visit caused some alarm. I remember the statements made by the chairman, Mr Hill, and my colleagues from other countries and other groups to the press. And yet that very area does not fall within the field of application of these provisions. And it is a vast area.

Mr Vetrone. — (I) And what has the Region done about this?

Mr Cipolla. — (I) The Region drew the attention of the parliamentary committee to this. But what I should like to stress is that, by applying the Commission's bureaucratic provisions, Luxembourg already receives everything and Palma Montechiaro nothing. This is the point. The ministry's bureaucracy has indeed tried to apply the Community directive, but the results merely show once more that it is impossible to make equal laws for all the Community. The Community should provide extremely general guidelines, should help with financing, while the detailed rules for application should be determined in practice and adjusted to local situations by the national administrations of individual countries, when they are small countries like the Netherlands or Belgium, or by regional governments when it is a country of 50 million inhabitants like Italy.

I do not know how this happened. Certainly I feel that Mr Hill will be astonished, as I too was astonished as well as all those who were at Palermo on that occasion and visited those areas. I am saying this not to draw attention to their unfortunate situation, because the present measures, from an economic point of view, represent only a fraction of the sums which over the last 20 years they should have received or have already received from the Cassa del Mezzogiorno without any tangible results, but only because I want to stress once more the political aspects of this problem: it is not possible, it is a dangerous and serious illusion—we see this in the application of the structural directives—to centralize the criteria for applying structural reforms and the agricultural measures to be taken at European level. I think

Cipolla

that as regards legislation on mountain and hill farming, Italy has taken a major step forward and Mr Della Briotta, who has worked hard on this report, was instrumental in having the law on mountain areas approved in Italy. The Italian Parliament decided that those responsible for the implementation of the law on Italian mountain areas should be the local people, the local administrations, the mountain districts and communities, and that they should democratically put the development plans into practice.

I wanted to say this, Mr Commissioner, because I believe that our Parliament, after voting two days ago in this Chamber on its determination to be elected by universal suffrage, should remember that democracy works at all levels and that it would be pointless to elect a European Parliament and then prevent, through a concentration of bureaucratic powers and in spite of the best will in the world—I know and respect the officials who deal with these matters in the Commission—the solution of problems which are so diverse, so varied in a Community which is already spread over a wide area and which we hope will spread even further. Imagine the situation if within a few months, as we hope, Greece and Portugal and Spain, if it frees itself from fascism, join the Community!

For this reason I wish to use this opportunity to explain my point of view and to stress that we are certainly not voting against but we cannot vote in favour either.

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission of the European Communities. — (NL) Mr President, I am grateful to the rapporteur of the Committee on Agriculture, Mr Della Briotta, for his report, and particularly for the balanced opinion he has given on the whole matter. I would particularly thank him for this, as I know that it was at a very late stage that he was asked to act as rapporteur. The very fact that he is acquainted with the whole problem of hill-farming and the like has allowed him to get into the subject so quickly. I should also like to thank Lord Lothian for the positive opinion he has given on behalf of the Committee on Budgets.

I am also grateful to the others who have spoken, particularly Mr Brugger and Mr Brewis. I was, to be sure, disappointed that Mr Cipolla, despite the last sentence, in which he said what he was going to propose, spent ten minutes or a quarter of an hour putting down the Commission and its officials, who have carried out excellent work. They did not just allocate the areas from Brussels, but spent nine months

in intensive consultations with the national capitals. They visited many regions and had consultations with the regional authorities. In the end, and I should like to emphasize this, not a single region was put forward without the express approval of the national capitals. I should particularly like to thank my people for this.

If it is not the regional authorities, then it is the national authorities who, for political reasons, are exercising a lot of pressure to get the areas as large as possible. If that had happened, the whole directive would have missed its aim. If all you can do is sow venom and grumble about the bureaucrats and officials in Brussels, and have no understanding of the real difficulties, the subtle difficulties, of differentiating between one region and another, and of the control that requires in the capitals, if you have no understanding of these things, then you particularly disappoint me. Or are you simply out for demagoguery?

This was not the case with the speeches by Mr Brugger and Mr Brewis, who went thoroughly into our intentions, for which I sincerely thank them. They each spoke about areas and regions, though they are very different ones, where the real difficulties in the problem areas and hill-farming occur. I should very much like to thank them for their contributions, not only this evening but also during the hard discussion we had a year ago, which has been reflected in the regulations.

Allow me to close by making the following reply to the question by Mr Brewis: for Denmark, the possibility is always open of bringing 2.5 per cent of their national territory under the directive at a later stage. The kind of areas a flat country like Denmark could include are mainly small islands, national parks where agriculture is carried on, or agriculture which is handicapped because of the demands this sort of area makes from the viewpoint of environmental protection. I think this is the first time that sort of area has come up for this in Europe.

President. — I call Mr Cipolla.

Mr Cipolla. — (I) Mr Lardinois, I should like to reassure you. I have nothing against the officials of the Commission. I raised a political problem, not for demagogic reasons but because it is something I feel deeply, a political problem over which democratic forces in Italy have fought for years and decades, the problem of decentralization to the regions in agriculture. We cannot while carrying out the regional experiment in Italy envisage a centralization over the heads of the regions. This is a political question, not

Cipolla

demagoguery, or taking sides against the officials of the Commission. I can understand that you, who were born in a country which does not have the same regional differences as my own, in a country in which travel is easy because there are no mountains, in a country where there are not the same discrepancies we have between north and south, cannot realize fully the situation in our country. I would like to invite you to visit the areas which have been declared less-favoured in the Netherlands and those which have not been declared less-favoured in the south of Italy in order that you might realize that the principles of the directives are wrong. I am sure that, faced with an objective situation, our judgments would be the same.

President. — On the motion for a resolution, I have no amendments or speakers listed.

I put the motion for a resolution to the vote.

The resolution is adopted.¹

Thank you, Mr Lardinois.

6. Reference to committee of a report

President. — I call Mr Baas to speak on a point of order.

Mr Baas. — (NL) Mr President, may I make a remark about the agenda?

After my report (Doc. 440/74) was discussed in the Committee on External Economic Relations, a further two questions reached me. It is not possible for me to answer them this evening as rapporteur. Can I ask you, on behalf of the committee, to send this report back to it?

President. — At Mr Baas's request and in accordance with Rule 26(2) of the Rules of Procedure, the report on the tariff classification of certain cheeses (Doc. 440/74) is referred to the committee responsible.

7. Oral Question with debate: Oil companies

President. — The next item on the agenda is the Oral Question, with debate, to the Commission of the European Communities, tabled by Mr Terrenoire on behalf of the Group of European Progressive Democrats (Doc. 408/74).

The question is worded as follows:

'Subject: Oil companies

We know from its answers to the numerous questions concerning oil companies put by Members of the European Parliament that the Commission conducted an enquiry into the recent behaviour of such companies.

As a result of that enquiry, we believe the Commission has notified certain undertakings of irregularities on their part and initiated the procedure provided for under Article 89 of the Treaty.

Furthermore, a parliamentary commission of enquiry in one of the Member States has just completed a report at national level on the commercial, financial and fiscal conditions under which oil companies operate.

The report reveals that the major oil companies operating within the EEC meet at regular intervals to apportion the various markets among themselves, agree on prices and work out joint strategy. If such activities, which stand condemned by the jurisprudence of the Court of Justice of the European Communities, are indeed taking place, they are in violation of Articles 85 and 86 of the Treaty of Rome, which stipulate in particular that all agreements between undertakings and concerted practices which may affect trade between Member States and which have as their object or effect the prevention, restriction or distortion of competition shall be prohibited as incompatible with the common market.

In view of the above, the Commission is asked:

1. what progress it has made in its enquiry into the practices of the oil companies and what conclusions it has reached;
2. whether it might be possible to take into account the conclusions of the parliamentary commission of enquiry of the Member State referred to;
3. how it intends to ensure that the Treaty of Rome is respected in this matter.'

I call Mr Hunault, who is deputizing for Mr Terrenoire, to speak to the question.

Mr Hunault. — (F) Mr President, ladies and gentlemen, owing to their multinational character, the oil companies are to a large extent able to escape from governmental control. The complexity of their operations, combined with the complexity of the taxation systems applicable to them in both the producer and the consumer countries, allows them an excessive amount of freedom.

¹ OJ No C 32 of 11. 2. 1975.

Hunault

In exchange for their freedom of action the governments expected these companies to procure oil for them in sufficient quantities and at an acceptable price for their traditional economies.

Because of its predominant rôle in the oil sector, the United States has tended to become the arbiter of energy policy in the West; but there is some ambiguity, for the United States Congress is questioning whether in fact it is not rather the oil companies that are dictating the strategy of the United States.

One thing is certain: the major decisions have been taken behind closed doors at government and board meetings. Thus, for a long time the companies' profit-margin on crude oil has been almost as large as the tax deducted from profits in the country where the company's head office is established.

These profits have been used by the companies to strengthen their position at all levels in the oil industry and even outside this sector. Their rôle in the production of energy has increased continuously since 1945, and will go on increasing if nothing is done.

Such power is incompatible with the democratic process and considerably undermines it. These companies have become states without territory in which the leaders are co-opted and wield despotic control. The state has little hold over these agglomerations. Yet, in times of crisis it is the political power—and only the political power—which should assume responsibility. It is surely time that an anti-trust law was enacted—if not at international level, then at least within the Community—in order to supplement and strengthen the regulations existing on company agreements.

At the very least, the activities of these companies must be made transparent. They must be required to furnish the Commission with full information on their operations. Transparency can only be achieved, however, if the producer countries cooperate with the consumer countries and agree to supply them with all the details required to enable them to check those supplied by the companies.

Now, the OPEC countries do not seem over-anxious to supply such information. The Commission, indeed, is trying to get the Community to do so, but action is required here and now on the basis of Articles 85, 86 and 89 of the EEC Treaty to ensure that the oil companies comply with their obligations under the Treaty of Rome. The major oil companies have the run of the European distribution market, and by a system of agreements and concerted practices determine prices and markets and distort competition. It is

quite clear that the oil companies have abused their dominant position, in relation both to their competitors and to their distributors and consumers. They have taken advantage of the energy crisis to increase their commercial power and their revenue.

They have, for instance, used various methods to gain total control over the fuel-oil and lubricating-oil market: establishing a strategy within the profession, eliminating troublesome competitors, adopting concerted practices intended to restrict competition by agreeing secretly on a fixed scale of discounts and by sharing out the market among themselves, putting pressure on the independent firms and penalizing competitors. The oil companies use the same techniques with their consumers such as the aviation companies, sharing out the world market among themselves and imposing a price which cannot be touched by competition and the laws of the market.

Nor have the oil companies hesitated to abuse their dominant position to impose a series of illegal obligations on their distributors. It is therefore essential to limit the power of these companies and to ensure protection at European level for the independent distributors and for the consumers.

Though admittedly quite legally, the oil companies have made excessive profits, thanks to agreements and concerted practices. By various means they have imposed exorbitant prices and raked in enormous profits. Thus, in order to justify their price increases, they have sometimes restricted the volume of oil offered to consumers, who, however, found that they could get it if they accepted these exorbitant prices, although the quantity available was said to be limited to 90 per cent of the demand.

Sometimes, too, deliveries made just before the price increase have been invoiced at the new price. Furthermore, in addition to the rises in price they have imposed Draconian terms of payment. Thus, up to 1973 the terms of payment were: 45 days after receipt of the invoice. The new terms were: within 10 to 15 days after the fortnight of delivery of the product, which would not even have given the companies enough time to prepare the invoices.

Fortunately, the consumers dragged from the companies rather easier terms of payment: 30 days after the month of delivery. Apart from severe contracts and exorbitant prices, the oil companies have pocketed enormous profits by using the taxation system, thanks to extremely complex price systems for crude oil: for concessionary crude, profit-sharing on crude, reference prices and posted lists, etc.

Hunault

The fiscal arrangements in Europe must be harmonized. All in all, the oil companies have not done too badly out of the energy crisis! But the arbitrary fixation of prices can no longer be tolerated. Deliveries should no longer be left to the goodwill of boards of directors. Clearly the oil companies must have the means to carry out research and investments, but there must be adequate control to ensure that the products serve the public interest and not, as is too often the case, individual interests only.

It is high time that the European Parliament was informed of the results of the Commission's enquiry into the oil companies and of the measures envisaged to ensure that the Treaty of Rome is respected in this matter. Here the conclusions of the commission of enquiry in one of the Member States can make a constructive contribution.

(Applause)

President. — I call Mr Borschette to answer the question.

Mr Borschette, member of the Commission of the European Communities. — (F) Mr President, I should first like to answer the question as to the progress made by the Commission in preparing its report on the oil companies. I would recall that the Commission decided to carry out an enquiry in all the Community countries in December 1973—that is to say, before any Member State had thought of doing so. So far we have carried out 21 enquiries, of which six are still proceeding. I am anxious to stress here that the Commission has never before undertaken an enquiry of such scope, and to the best of my knowledge no Member State has carried out an enquiry in this field.

I ask the Parliament therefore to wait for the Commission's report. We are just now taking action based on the first results of the enquiry, and the Commission's job is not to give impressions, but facts. It ought not, either, to give you incomplete results, since it is only on all the results taken together that we can base our assessment of the behaviour of the oil companies.

It has also been asked whether we are taking into account in our report the parliamentary enquiries carried out in one country and no doubt, too, those of the Kartellamt in Germany. Yes, we are aware of these reports and we are taking them into consideration insofar as they can give us useful information for our enquiry.

I should also like to recall that the Commission has not hesitated, when it has been notified of a particular affair, to complain to the oil companies concerned. I have given details of this in earlier part-sessions of this Parliament.

I do not exclude the possibility that in our report we find that some of the facts observed are to be attributed not only, or not principally—indeed, perhaps not at all—to the laws of competition, but to taxation arrangements, etc. I simply confirm for the time being that the Commission does possess in Articles 85 and 86 an adequate instrument. Finally, I wish to stress that our investigators have so far obtained all the information they wanted.

President. — I call Mr Noë.

Mr Noë. — (I) I agree fully with what the Commissioner, Mr Borschette, has just said: it is not the job of this parliament to make snap judgments on such complex problems. These are problems which must be dealt with and discussed with due preparation.

This particular problem comes up continually every 3 or 4 months. When the Commission's document is ready, we shall be able to make a thorough analysis. The difficulties to be overcome in future exploration in difficult climates, such as the Arctic, or in very deep seas are out of all proportion to traditional difficulties which have been experienced.

I am therefore in favour of holding a thorough discussion when the information which Mr Borschette has promised us is available, and when we have the information from the OECD in Paris, especially from the second of its two directorate-generals which are due to make a report on this matter, since it has the particular job of shedding light on the affairs of the large oil companies.

What Mr Borschette says, then, is right: an analysis on a national level is not enough; it must cover all the countries of the Community and, if possible, other states too. Only then will Parliament be able, after adequate preparation, to hold a complete and detailed debate. Of course this subject can be brought up again, but not at such brief intervals and in such a fragmentary way and, above all, not before an Assembly with such a small number of Members present.

President. — I call Mr Lange to speak on behalf of the Socialist Group.

Mr Lange. — (D) Mr President, I wanted to make the comment that we should be thankful that Mr Terrenoire has again drawn attention to the problem of the oil companies as internationally-active or multinational concerns. At the same time, however, I would point out that the Committee on Economic and Monetary Affairs did discuss this question at its meeting of 8-9 January, since the Communist Group had

Lange

put forward an amendment at the December part-session that was referred to this committee.

We could, of course, deal with this by having another group handle the matter at the next part-session. The Commission has made it quite plain, in its latest report on competition, what it intends to do in this connection. This House expressed its view on this by adopting the report prepared by Mr Artzinger on behalf of the committee. In addition, we discussed multinationals and their way of behaving not all that long ago—in December, in fact—though on the basis of a paper from the Commission which we felt to be inadequate. So we have had a couple of additions to this, though I am not at all sure, ladies and gentlemen, whether the Parliament stands to gain from putting the same questions on its agenda every four weeks. I think we shall have to be patient and give the Commission a chance to put together a paper that will really stand up and which the oil companies as multinationals will not be able to fault; and here I mean not only the international operators but also, like Mr Hunault, those companies that are state-owned and resort to certain practices that we could certainly describe as offending against the Treaties. The Commission should compile the facts that are needed, and where there is doubt should (if there is enough evidence) fine the companies concerned or even bring them before the Court of Justice. But please let us all be patient, and wait until we have the Commission's report before us.

According to the information we were given in the Economic Affairs Committee, one can, however, count on this definitely being within the next six months, so that then we shall be able to have a debate based on hard facts and these companies will not be able to put up specious arguments, as they can at the present time. There is only one thing I would ask you to remember: under different circumstances one national parliament once had a hearing on the behaviour of a big company operating on an international scale—you could call it a multinational—in the Third World. It came to nought, because that parliament had no solid evidence; we must take care that this Parliament does not end up in a position that could lead to the public's not taking it seriously when parliaments discuss these things. I should not like to see this happening.

I think we owe it to our own reputation, and it is our duty, to work not on suspicions, but on facts—I would even say, facts that have, so far as possible, every 'i' dotted and every 't' crossed. Then I would be prepared, even on circumstantial evidence, to take facts as proven or certain things as facts. We come back to what

we have said about future dealings with these international companies, that they must be obliged to operate under quite definite conditions, within a framework safeguarded by international law and on a basis so legally watertight that it makes any lapses impossible and prevents anything verging on the shady. They must be obliged to be suitably open about all their activities and about their various connections.

This, however, is something that goes beyond the European Communities, and here we can only concern ourselves with the information that is actually available to the Commission on the basis of its investigations and hearings.

I really would be very grateful if we did not have another question of this kind, or a similar motion for a resolution, put before us at the February meeting. The Economic Affairs Committee will in any case have to put a proposal to the Parliament on how things should be tackled, on the basis of the motion introduced by the Communist Group during the December part-session and referred to us, so that we shall have an opportunity to discuss it again, at least where procedure is concerned. On the whole, however, I feel that Parliament does not stand to gain much from it.

President. — I call Mr Lemoine.

Mr Lemoine. — (*F*) Mr President, honourable colleagues, it is half-an-hour after midnight; however, the fact that there are fewer than ten Members left here must not deter us from congratulating Mr Terrenoire on his question about the oil companies.

We do, however, regret that this debate has come so late and been given so little space on our agenda. We must recall that our group has for almost a year now been drawing the attention of the Council and Commission as well as of our Assembly to the scandalous behaviour of the oil companies.

On 23 January last, our colleague Mr Ansart was asking how the six thousand million francs excess profits made by the French oil companies thanks to increased oil production squared with the declared intention of fighting inflation. On 28 February, our group once again asked the Commission about the illegal practices of these companies and the measures it intended to take to control their activities and prosecute them for abusing their dominant position.

This is why we endorse Mr Terrenoire's question, and we hope that the Commission will do more this time than simply try to pacify us.

We should like to deal with this question once and for all, completely and finally. It is too

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serious a matter. It is, indeed, a question of violations of Articles 85 and 86; but we are also concerned with repercussions on our future economies, the standards of living of millions of workers and, too, as Mr Kissinger has declared and Mr Schlesinger and President Ford himself have confirmed, safeguarding world peace.

We must repeat here that the crisis facing the countries of the Community did not originate in the increase in prices of crude oil. The decision of the oil-producing countries to raise prices accords in our view with an inalienable right, that of any nation to benefit from and determine the use of its national wealth. This decision merely corrected the constant deterioration in these countries' terms of trade, following on the rise in industrial prices.

No, the real cause of the considerable increase in the prices of oil products lies in the behaviour of the oil companies. It is this that needs to be publicized and prohibited. In France, a commission of enquiry has been set up on the initiative of a Communist group in the National Assembly. It has produced a devastating report on the practices of the major companies. From it, we now know that they manipulate prices, speculate with their stock—in a word, cheat by declaring that they are purchasing crude oil at a higher price than they are actually paying. The same companies twist all the rules—whether national, Community or international—and agree among themselves how to share out the markets and arbitrarily fix prices. Furthermore, these companies, which are able to record scandalous profits, pay hardly any taxes.

But I should also like to point out that it is not enough to attack the multi-national oil companies: in fact, they can act only with the complicity of the different states that support them. Thus, in France, on top of the 800 million francs profit they made on their stocks at the time of the last increase in the price of petrol and fuel-oil, the state has just presented them with an additional 160 million francs by reducing the special tax on certain oil products without passing on this reduction to the consumers.

These practices are extremely harmful, not only for the small- and medium-sized undertakings, but also for key sectors of our economy such as the car industry. Unemployment, austerity and sacrifices for the workers; profits and tax-relief for the oil companies! This cannot be allowed to continue. We therefore think it a matter of urgency—this is why we are being so insistent—that there should be a debate in this House and that these questions should be answered.

We must put an end to this state of affairs. We can do so by inviting the forces of progress, not

only in France but also in Europe, to adopt measures aimed at imposing severe sanctions on those responsible, abolishing their tax benefits and levying a special tax on their turnover for 1974, at the same time reducing the taxes on domestic fuel. It is, in fact, a case of bringing these companies under national control, and in this way guaranteeing an independent supply policy and promoting co-operation.

In the meantime, we urge the Commission to press on diligently with the enquiry it has been conducting since December 1973. Mr Borschette has just given us some assurances on this. We are pleased, too, that it is taking account of the enquiries conducted in the different Member States, particularly that made by the French National Assembly. We ask the Commission to report on the results of its enquiries as soon as possible. This is, indeed, what we are urging in the motion for a resolution referred to just now by Mr Lange, which we should like to see considered and discussed at the earliest opportunity.

I shall conclude by stressing—for everything is interrelated—that in view of the recent declarations by Mr Kissinger and Mr Schlesinger envisaging recourse to violence against the oil-producing countries, it behoves our Parliament to condemn all threats and use of force as a means of settling international disputes, and to reaffirm the need for negotiations based on recognition of the principles of national independence, the right of each country to make use of its own resources, and mutual cooperation.

This, Mr President, is what I wanted to say on Mr Terrenoire's question.

President. — I call Mr Hunault.

Mr Hunault. — (F) Mr President, just two things: a comment and a question.

First, like Mr Borschette and the spokesmen of the various groups, I find Mr Terrenoire's concern entirely justified. I could say more, but since it is so late, I shall refrain.

The question: Mr Borschette, you said the Commission did not wait until a national parliament had tackled this problem before doing so itself, and that you have been conducting an enquiry since 1973, and you asked us to wait for the results of this enquiry; but can you say when you will be in a position to give us these results?

President. — I call Mr Borschette.

Mr Borschette. — (F) Mr President, I should first like to say that I agree with Mr Lemoine that it is a pity that this question has been presented so late, but let me add straightaway that in one sense it is premature. I have already said several times that the Commission is conducting this enquiry with a very small team of resolute and conscientious people, and I personally would not be behaving responsibly if, whenever anyone questioned me here, I gave partial results, because then I should not be speaking entirely objectively. It is not enough after all to declare that something has been happening; one has to prove it and then to confront the oil companies with this proof—and they, of course, can as a final resort appeal to the Court of Justice.

I therefore entirely agree with what Mr Lange has just said and ask you, not to push the Commission—you can do that when it presents its report and then you will be able to say whether it is incomplete, subjective or objective—, but simply to give it some time, because I beg you to realize that it is no small undertaking to conduct 27 enquiries in 13 months with a team of twelve men.

Like Mr Lange, then, I should like to propose that we return to this question at the end of the first half of 1975.

President. — Thank you, Mr Borschette.

I have no motion for a resolution on this debate.

The debate is closed.

8. Oral Question with debate: Supply of grain to Italy

President. — The next item is the Oral Question, with debate, put by Mr Cipolla on behalf of the Communist and Allies Group to the Commission of the European Communities (Doc. 423/74).

The question is worded as follows:

'Subject: Supply of grain to Italy

Can the Commission reveal:

- what quantities of grain, and at what price and under what conditions, were sold to the Italian Government by the EEC in July 1973;
- whether conditions were on that occasion attached to the use of the grain and whether the Italian Government raised objections as to the quality of the grain itself;
- whether the Commission has in the intervening period assured itself that the Italian Government is respecting the conditions under which the grain was supplied;

— whether the Italian Government has asked to sell this grain at a price below that paid by the Community, and if so for what reasons and with what end in view;

— whether in the past, in accordance with Community rules, the Commission has authorized other countries to sell grain at reduced prices on behalf of the EAGGF?

I call Mr Cipolla to speak to this question.

Mr Cipolla. — (I) Mr President, I see that Mr Lardinois, who was to answer my question, is not present in the Chamber.

I will therefore leave you to decide whether the debate on this matter should be postponed.

President. — The debate on this question is accordingly postponed.

9. Regulation on aid to hop-producers for the 1973 harvest

President. — The next item is a debate on the report drawn up by Mr Früh, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council for a regulation laying down, in respect of hops, the amount of aid to producers for the 1973 harvest (Doc. 427/74).

I call Mr Früh, who has asked to present his report.

Mr Früh, rapporteur. — (D) Mr President, I rise at this late hour to present the report on aid to hop-producers. It will be a short report, especially since the motion for a resolution has only one main paragraph, in which the Committee on Agriculture gives its approval of the Commission's proposal. But there are a couple of comments I should like to add.

We would ask that in the future such reports should be submitted in plenty of time. This is not a criticism of the Commission, for we know how difficult it is to get the necessary information out of each member country; but it might—since this complaint was voiced last year as well—be possible to make some improvement. And besides, if the aid is paid out later it is not fully effective. In the case of last year's harvest—that is to say, the 1972 crop—the money was paid out too late.

Now, in addition to the aid to individual growers, there is aid for groups of producers, for hop-growers who have banded together. Unfortunately, we find that these groups of growers are not making way as they should,

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and now we see that there is a cut-off date of 31 December 1975 set for this aid. It is for this reason that we have questioned whether it might not be possible to extend the period for this aid, say, to 31 December 1976.

A completely accurate assessment of income is not possible, simply because we still do not know enough about producer costs. It seems to us that the Commission proposal, in the absence of basic data, aims at securing about the same income for each of the different varieties and calculating the appropriate amounts on this.

Yet the proceeds from the different varieties are to some extent below that of the previous year, because in the case of the 1973 harvest far more non-contract hops had to be sold off, at poor prices, than in the year before. It is being found that, in the present situation on the hops market, brewers are no longer willing to commit themselves a long way ahead; yet we think it is important that contracts should be signed.

There are quite wide variations in the losses in profits from one variety to another. The report covers a range of varieties—in fact, 16—because the United Kingdom is also included, and the amount of aid will consequently also have to a large degree to be varied to suit. There is no aid to producers for three new British varieties, which are not yet fully in production.

This may appear strange at first sight, but aid can be given here for changing to new varieties and for reorganizing hop-gardens.

Having studied the facts supplied to us by the Commission, your committee considers that we can agree to this Commission proposal. I will, however, say again that we should be glad if the actual producer costs could be indicated in future.

I therefore ask the House to approve this report. (Applause)

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission of the European Communities. — (NL) Mr President, I should particularly like to thank Mr Früh for the report he has given.

It is a particularly constructive report, acceptable to us in every way. The rapporteur has brought up some fundamental questions. He has asked how the recognized producers' groups stand now. We have announced that we shall be re-examining the hops regulation in the not-too-distant future. The whole question of the producers' groups will be in the centre of our attention then. The necessity of making changes

which go still further than this one to the regulation is connected particularly with the fact that there is not yet sufficient recognition that the trade is putting in the necessary effort to get a maximum price from the markets. It must, therefore, be improved again. We hope to be able to do this at a later stage.

Mr President, I should like to assure Mr Früh that the producers' groups must, in my opinion, continue to have a central position in general in the future too. It must be made clearer, though, that the efforts the producers make are also rewarded accordingly.

President. — We shall now consider the motion for a resolution.

On the preamble and paragraph 1, I have no amendments or speakers listed.

I put these texts to the vote.

The preamble and paragraph 1 are adopted.

After paragraph 1, I have Amendment No 1, tabled by Mr Scott-Hopkins on behalf of the Committee on Agriculture and worded as follows:

'After paragraph 1, insert the following new paragraph:

"1a. Urges that the derogation to Article 9 of Directive 1696/71 contained in Regulation 428/74, under which the United Kingdom can grant aid to hop-producers until 31 January 1975, should continue to cover works completed in the United Kingdom by 31 December 1975."

I call Lord St. Oswald, who is deputizing for Mr Scott-Hopkins, to move this amendment.

Lord St. Oswald. — Mr President, I would like to thank the rapporteur, Mr Früh, for the way in which he has compiled this report. I should like to thank the Commissioner for his remarks. What I am here to do, as you have explained, Sir, is to move an extremely simple amendment on behalf of the Committee on Agriculture. It is in no way a controversial amendment. Its purpose is to ensure fairness and consistency.

The amendment is before you. It simply aims to enable British hop-growers to continue to receive the aids they have been receiving since accession.

There has been a certain difficulty—of nomenclature namely, when is a producer group not a producer group? These aids have to be paid to producer groups. The problem was overcome in the first instance by derogation, and the amendment simply asks that this derogation should be carried forward to the same date—to 31 December 1975—to put British hop-growers on a par with their colleagues within the Community.

President. — What is the rapporteur's position?

Mr Früh, rapporteur. — (D) Mr President, we have already discussed this proposal, made here by Mr Scott-Hopkins, in the Committee of Agriculture. The amendment was, however, not put in due form at the time we were discussing the report, and as you will know we have very strict rules of procedure, thanks not least to the efforts of Mr Scott-Hopkins. But it was subsequently agreed unanimously that this amendment could, if it were put up next time, be adopted. I therefore recommend its adoption.

President. — What is the Commission's position?

Mr Lardinois, member of the Commission of the European Communities. — (NL) Mr President, this is not inconsiderable derogation from the Accession Treaty, which provides a possibility for certain exceptions up till 1 February next. But since I have just announced to you that we shall be bringing new proposals for amendments to the hops regulation forward in March, we shall consider, if this regulation is accepted by the Parliament, next week in the Council, if the British Government asks the Commission not to make too many difficulties, taking this into account for the present.

President. — I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

On paragraph 2, I have no amendments or speakers listed.

I put this text to the vote.

Paragraph 2 is adopted.

I put to the vote the motion for a resolution as a whole, incorporating the amendment that has been adopted.

The resolution is adopted.¹

I thank Mr Lardinois.

10. Oral Question with debate: Supply of grain to Italy (continued)

President. — I call Mr Lardinois to answer the question put by Mr Cipolla on the supply of grain to Italy (Doc. 423/74).

Mr Lardinois, member of the Commission of the European Communities. — (NL) Mr President, I must apologize to Mr Cipolla and to Parlia-

ment for the delay in relieving my colleague Mr Borschette. I should further like to pay my compliments to Mr Cipolla for having put this point on the agenda, especially since it is a political point that has had a lot of publicity, particularly in Italy. I am, therefore, pleased to have the opportunity to give these clear questions as clear an answer as possible.

On his first question on the amount, the price and the conditions governing wheat supplies to the Italian Government, I should like to make the following answer.

At the request of the Italian Government, and following internal difficulties with wheat supplies for Italy at the end of June 1973, the intervention agencies of the other Member States made 200 000 tons of wheat available to the Italian intervention agencies. Of this quantity, 150 000 tons came from German, 47 000 tons from French and 3 000 tons from Belgian agencies. This was not a commercial transaction, but an accounting transaction for us as the EEC, with the grain transported at the expense of the EAGGF.

The terms of delivery were as follows: at the moment of delivery from the intervention agencies of the other Member States, the Italian intervention agency took over responsibility for the quantities delivered.

Transport charges were for the account of the EAGGF. The price and other terms of sale were those of Regulation 367, which apply to the normal sale of cereals from intervention agencies.

The second question concerns the use of this grain, and the conditions linked thereto. The Italian Government must, under the provisions of this regulation, take the necessary measures to ensure that the wheat sold is used exclusively for the preparation of foodstuffs for human consumption. The Italian authorities made no objections regarding the quality of wheat supplied.

The third question by Mr Cipolla is whether since the delivery the Commission has assured itself that the Italian Government is respecting the conditions under which the grain was supplied.

Between autumn 1973 and autumn 1974, the Commission repeatedly pressed the Italian authorities to observe the terms of the regulation mentioned above and to give all the necessary information. On the basis of the information obtained, it appeared that 60 000 tons of the 200 000 tons of wheat had been sold on the Italian market in accordance with the terms set. Furthermore, before December 1974 tendering should have been opened for several quantities

¹ OJ No C 32 of 11. 2. 1975.

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of grain. This meant that another 50 000 tons of wheat were granted, in accordance with the aims and conditions of the Community regulations. In other words, of the 200 000 tons, 110 000 tons were sold in accordance with the provisions. There is still a remainder of 90 000 tons. Another bid for the 90 000 tons will be held in January 1975.

Mr Cipolla's fourth question has to do with the request by the Italian Government to be allowed to sell at a lower price. At one time, there was talk of selling the grain on different terms. Agreements between the Commission and the Italian Government, however, led to the Italian Government's abandoning this idea and carrying out sales on the normal terms—that is, sale in Italy, exclusively for human consumption, and at a price equal to the intervention price plus one-and-a-half units of account, that is, a little less than 1.5 per cent.

I would answer question five in the negative.

President. — I call Mr Cipolla.

Mr Cipolla. — (I) Mr President, I thank the Commissioner, Mr Lardinois, for the answers he has given. I must admit, however, that I did not quite grasp the answer to the question whether the Commission had authorized other countries on other occasions to sell grain at reduced prices. This was a particularly important question for me, because various questions have been asked in the Italian Parliament about this episode, which has caused quite a stir in Italy. The Italian press has also given prominence to this problem, and this shows that public opinion and healthy political forces wish to prevent any attempt to evade the proper application of Community regulations. This attempt has been thwarted.

In conclusion, Mr Commissioner, in the review which has to be made of the common agricultural policy, I would ask you to take account of this particular aspect which in the past has given rise to much criticism, questions and protests, particularly as regards storage costs.

In Italy, delays in selling the grain have been attributed to the fact that the body which had the grain found it particularly useful to keep it in storage, since the profit achieved by the Federconsorzi on the price established for storing the product was all the greater. As I recall from a speech by your predecessor, Mr Mansholt, this problem of storage costs is a very serious one for the Community, not only for grain but also for butter. This is also true as regards the deterioration of stored foodstuffs which are not sold or used immediately. In this connection, Mr Vredeling and other colleagues asked ques-

tions about milk-powder, butter, grain and other products which had been sold at much lower prices because of the deterioration resulting from long periods in the intervention warehouses. This, too, is a feature of the common agricultural policy which has given rise to much criticism.

I think it would be right for the Commission, in the review and the report which it will draw up, to provide some details about these aspects, so that a new system can be evolved to avoid these criticisms.

I should like to thank the Commissioner for his answer; I must also give credit to the present Italian Minister of Agriculture—although he is a political opponent of mine—for having held public auctions, albeit under the pressure of public opinion, instead of asking permission to sell at a lower price, as his predecessor would have done. I must give credit for this, because, just as it is fair to criticize short-comings, it is also fair to draw attention to positive achievements.

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission of the European Communities. — (NL) One more brief answer, Mr President. I shall do my best to give Mr Cipolla a written summary of what I have said, not merely in Dutch, but also, if possible, in Italian.

The delivery of 200 000 tons of wheat to Italy in August 1973 did play an important rôle. Mr Cipolla will probably still remember that at that time speculation was going on which was brought to an end partly by the delivery. This was, in fact, the most important function of the overall transfer from the intervention agencies in the north to the intervention agencies in Italy. The grain was then left lying a little too long, partly because the Italian government was glad to have a reserve, let us be honest. I don't think there is anything wrong with that; on the contrary, I am of the opinion that we, taking into account the world situation, should take care to ensure that everywhere in the Community, including Italy, we have constant reserves of at least 1 million tons of wheat. This must, of course, be renewed every year, but from the point of view of normal food supplies, Italy, preferably at such a stage that the government can play a part in the decision, should have 1 million tons of wheat in reserve as part of the Community stock.—Not just 200 000 tons, but more!

There has been some talk of coincidence. In particular, when the world market price for

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maize rose in the autumn, the Italian Government thought of using some of the wheat to put pressure on the maize price. This is something which has been normal in the entire north of the Community. It did not necessarily mean that the price for the wheat would have to be lower, but it was in conflict with the regulation, which said, 'exclusively for human consumption'. For this reason we said to the Italian Government: We are sorry, but the regulations say, 'for human consumption'; we helped you by an emergency procedure at the beginning of August 1973, so please do not start making difficulties now.

There was some friction, but I think it has been a storm in a teacup. I am broadly of the opinion that the transfer from the intervention agencies in the north to the intervention agencies in Italy has had positive effects, and has worked against speculation. On the other hand, I think we have learnt something about the whole subject of maintaining stocks and the difficulties this may involve. This will apply particularly to a scarcity area like Italy, if we are soon to be having to make that country keep stocks of at least 1 million tons of wheat, as part of the wheat reserve for the whole Community.

President. — I call Mr Cipolla.

Mr Cipolla. — (I) I thank the Commissioner for his explanations. However, I should like to remind him what the question was about. The main thing we were protesting about both in Italy and in this Chamber, with our question, is that in spite of the fact that there were two harvests, the grain remained in storage. The storage system must therefore be changed.

Secondly, the Italian Government's request was not to be allowed to hold an auction, because those who bought grain recently are quite free to use it as fodder, even though they paid for it as grain for human consumption. The previous Italian Government requested authorization to sell this grain at a lower price, not to sell it as fodder. This is the point, and it is a problem of no small importance.

President. — I have no motion for a resolution on this debate.

The debate is closed.

I thank Mr Lardinois.

11. Regulation on the establishment of a Community register of olive cultivation

President. — The next item on the agenda is a debate on the report drawn up by Mr De

Keersmaecker, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council for a regulation on the establishment of a Community register of olive cultivation (Doc. 426/74).

I call Mr De Keersmaecker, who has asked to present his report.

Mr De Keersmaecker, rapporteur. — (NL) Mr President, this is a proposal the Commission drew up pursuant to the resolution taken by the Council at its meeting of 19 and 20 November 1973 adopting the principle of establishing a register of olive cultivation. The mode of financing was also decided—namely, the retention of 1 per cent of the aid given to producers of olives and olive oil. The Commission proposal is to draw up a register of olive cultivation in two stages; a first stage with an aerial survey of the areas and numbers of olive trees, which should be completed by September 1976, and a second phase, to be completed by September 1980, which could entail the expansion of the survey carried out, with more details on the various modes of cultivation, the ages of the groves, and so on.

I have already mentioned the financing, but the Commission proposal goes further and proposes a second financing by the retention of 5 per cent during the 1974-75 season. The aim in establishing this register of olive cultivation is twofold: firstly, to get a picture of the production structure in this sector and, secondly, to secure an instrument which can ensure better functioning of the Community support regulations. The Committee on Agriculture spent three meetings on this proposal, and very quickly came to an agreement in principle on the need to establish this register. The committee asked itself and the Commission of the European Communities a series of questions, about the detailed rules of application and the methods of drawing up this register, including the time table, and about the basis for estimating the costs entailed in establishing this register.

The representative of the Commission gave us an answer at the various meetings, or at least tried to do so, and he convinced us of the correctness of the aerial photography system—apparently the only appropriate method in this case. He told us that this work could not be carried out in a shorter period. The Commission representative did not, however, give us an answer when we asked for further details on the estimates of the costs entailed in this proposal.

The Committee on Agriculture also put the financing system itself under the microscope. A

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general reservation was that the financing of this system should not in any way be prejudicial to the reasonable income of olive-producers. We then asked the Commission for a note. From a study of this note, it appeared that in this instance, taking account of the way in which the regulation containing the Community aid regulations is applied, this was not the case. There did not, however, seem to be any unanimity on the financing system, nor on the fact that, by contrast with what the Council had postulated, 5 per cent was immediately to be fixed as retention from the aid allotted during the 1974-75 season, nor on the question whether the supplementary financing to be determined later would come from the Guarantee Section, since it was here a market-regulating instrument. Some members defended the position that this would also, or mainly, be a structural measure, which should thus logically come from the Guidance Section. Some members defended the view that in any case the costs would rise too high by comparison with the result which could be expected. That was a minority. A few members even said that these costs ought to be charged to the Member States. Since in this case the project concerned was 98 per cent an Italian affairs this reservation had, of course, considerable importance.

Unanimity was, however, reached on the following two important points: firstly, that it would not be reasonable to pronounce on this financing model so long as there was no basis for a more accurate estimate of the costs; and secondly, that there was no sense in the Commission's making a definitive pronouncement before the proposal for amending the Community aid regulations, which would probably be made in April by the Commission, was known. In the light of these reservations, the Committee on Agriculture considered it should confine itself to emphasizing the principle of the necessity of establishing the register of olive cultivation.

(Applause)

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission of the European Communities. — (NL) Mr President, I thank the rapporteur for his work; Mr De Keersmaecker has gone particularly deeply into the difficulties and problems concerning the register of olive cultivation. A number of his suggestions certainly have my sympathy.

Nevertheless, I should like to say to Mr De Keersmaecker—in all probability this is not new to him, in view of the discussion he has had in the Committee on Agriculture and elsewhere—that olive-oil regulations and everything to do

with them at the moment in the whole agricultural policy are, perhaps, one of the most sensitive political matters we know. That is why we have taken such pains in consulting, on the financing of the olive-oil register, the organizations of the cultivators concerned, especially in Italy. We have also consulted the Community-wide Olive Oil Advisory Committee, which, of course, consists mainly of Italian, but also a few French, cultivators.

All of them gave a positive opinion on these financing problems. These opinions are among the few positive views we have had over the past year on our plans to bring some more order into our policy regarding olive oil. I should very much like to emphasize that.

We have the impression that the Council and also the Italian Government can accept these proposals. Nevertheless, I should like to say this: if this financing were to have more important consequences later than in the first year, to which the 5 per cent regulation applies, then I should be glad to take a number of suggestions made by the rapporteur into account.

President. — I put the motion for a resolution to the vote.

The resolution is adopted.¹

I thank Mr Lardinois.

12. Regulations on the importation of fishery products from Tunisia and Morocco

President. — The next item on the agenda is a vote without debate on the motion for a resolution contained in the report drawn up by Mr de la Malène, on behalf of the Committee on External Economic Relations, on the proposals from the Commission of the European Communities to the Council for

I. a regulation concerning the importation into the Community of certain fishery products originating in Tunisia; and

II. a regulation concerning the importation into the Community of certain fishery products originating in Morocco

(Doc. 403/74).

I have no speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

¹ OJ No. C 32 of 11. 2. 1975.

13. Agenda for the next sitting

President. — The next sitting will be held today, Friday, 17 January 1975, with the following agenda:

9.30 a.m. to 12 noon:

- Report by Mr Deschamps on transitional measures for the benefit of the Associated States;

- Report by Mr Willi Müller on waste disposal;
- Oral question, with debate, on participation by migrant workers in regional or local elections.

The sitting is closed.

(The sitting was closed at 1.20 a.m.)

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IN THE CHAIR: Mr HANSEN

(Vice-President)

(The sitting was opened at 9.35 a.m.)

President. — The sitting is open.

1. Approval of minutes

President. — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes of proceedings are approved.

2. Membership of committees

President. — I have received

- from the Socialist Group a request for the appointment of Mr Didier to the Committee on Public Health and the Environment;
- from the Group of European Progressive Democrats a request for the appointment of
- Mr Nyborg to the Committee on External Economic Relations to replace Mr Herbert.
- Mr Herbert to the Committee on Public Health and the Environment to replace Mr Nyborg.

Are there any objections?

The appointments are ratified.

3. Communication from the Commission on transitional measures in respect of the Associated and Associable States

President. — The next item is consideration of the report drawn up by Mr Deschamps on behalf of the Committee on Development and Cooperation on the Communication from the Commission of the European Communities to the Council on the transitional measures to be implemented after 31 January 1975 in the context of relations with the countries of Africa, the Caribbean and the Pacific, and the Overseas Countries and Territories (Doc. 441/74).

The rapporteur does not wish to present his report orally.

I call Mr Borschette.

Mr Borschette, member of the Commission of the European Communities. — (F) Mr President, I should like first of all to apologize for the absence of Mr Cheysson, who is on an official visit to Algeria.

I should like to say that the communication from the Commission to the Council and Parliament's opinion still remain perfectly valid. The negotiations which took place on Monday and Tuesday were not, in fact, a failure. They have merely been suspended for a certain period of time.

Only yesterday the President-in-office of the Council informed the parliamentary committees responsible of the results of these negotiations and of the conclusions drawn by the Council and the Commission from the negotiations and their suspension.

The time-limits proposed by the Commission and approved in the report still hold good. However,

in the matter of their application I should like to ask Parliament to be so good as to give the negotiators a free hand to a certain extent.

The position is that we would not like to give the impression that we are exerting political pressure on our ACP partners by cutting the time available to them unduly short.

Neither do we want, on the other hand, to give an impression of indifference by agreeing that these same time limits should be extended for too long. At any rate, I should like to appeal for a calm approach to this whole matter on the part of Europe. Since the negotiations have so far resulted in stalemate to a certain extent, we must show a great measure of understanding for the position of our ACP partners and not remain indifferent to their concerns. I should like to urge the Assembly to see that the Parliamentary Conference to be held with the ACP countries at the end of this month, before the final phase therefore, adopts the same attitude towards our partners.

President. — I call Mr Deschamps.

Mr Deschamps, rapporteur. — (F) Mr President, by adopting unanimously a short time ago the excellent report drawn up by our colleague, Miss Flesch, on the negotiations between the ACP countries and the EEC, this Assembly has shown the importance it attaches to this matter. I feel that Mr Borschette's statement also shows the importance it has for him.

I shall not speak of the present state of the negotiations, since this has already been done, but I would only like to say that we also do not envisage any breaking off of the negotiations, as certain pessimists had predicted, but are determined to carry on these negotiations until the end of the month.

We continue to hope that without abiding in an excessively strict manner by rigid time limits, which could seem to involve the exertion of pressure, we may be able on the last day of this month, or certainly at the beginning of next month, to sign a new agreement in Lomé—I do not dare to use the terms 'Convention' or 'Association', as these seem to cause some difficulties—which should unite us to these 46 countries and which is of self-evident importance.

The Commission has decided to ask the Council to fix a transitional period. We have considered this proposal in the Committee on Development and Cooperation and adopted a motion for a resolution which we are putting before the Assembly today.

Deschamps

Briefly, what does this transitional phase involve? First of all, it involves fixing a date, which by joint agreement has been set for 1 July of this year, which will bring the first transitional phase to an end.

During this first transitional phase, the existing agreements would be simply extended: in this case, these would be the AASM agreements, the Arusha agreement and the Commonwealth provisions. As far as the new partners to these negotiations are concerned, their status would remain that of third countries.

At the end of this first phase, a second transitional phase will commence, since, unfortunately, experience has shown that ratification can take a long time in the various countries and we have no grounds for supposing that the procedure will be any more rapid in the case of the present agreement.

This second phase would be a partial implementation of the provisions on trade and of a certain number of technical provisions of the new agreements that have already been signed, but, and this we have stressed in committee, in reply to certain of our colleagues who were worried, and rightly so, about national constitutional arrangements in the various countries concerned, no new projects of any kind will be financed until such time as this second transitional phase would have expired, that is to say, until such time as each of the national parliaments, acting in accordance with its own constitutional Rules, will have had a chance to study the matter in detail before proceeding to ratify the new agreement to be drawn up.

These transitional measures are very important, because any hiatus between the existing agreements which are about to expire at the end of this month and the new agreements would be highly detrimental, particularly to the developing countries. It would be particularly serious for those countries that are least developed and consequently most in need of continuity in our technical assistance.

We are all well aware also of how much time and technical preparation has to go into the preparation and the putting into force of these new agreements. That is why I urge you to give your unanimous support to this resolution which approves of the transitional measures proposed by the Commission, so that there may be no break in our relations with the countries of the Third World, which it is rather our desire to strengthen.

Mr Borschette may rest assured that at the parliamentary negotiations in Abidjan—he has just stressed their importance and I thank him for doing so—we shall see to it that the excellent

climate that prevailed in Mauritius will continue to be maintained. In fact, we are well aware—more so, I believe, than public opinion in general and even more than our national parliaments—of the extreme importance of an agreement which unites more than one half of all the member countries of the United Nations Organization and to which, on the one hand, the developing countries bring their raw materials and their natural resources while we, on the other hand, bring them something which is no less indispensable for them, namely, our techniques, our capital and our know-how.

Up to the present time the agreement has proved to be beneficial for both parties, even within the narrower framework of the smaller group of countries, and it will be equally beneficial for the new and larger Association which we intend to create.

It is my hope, Mr President, that by means of a unanimous vote we shall reaffirm the importance that we all attach to this matter, and this is important from the psychological point of view also, now that we have reached the final stage of our negotiations.

President. — I call Mr Giraudo.

Mr Giraudo, chairman of the Political Affairs Committee. — (1) Mr President, since Commissioner Borschette has referred to yesterday's colloquy between the Political Affairs Committee, the Committee on Development and Co-operation, the Committee on External Economic Relations and the President-in-Office of the Council, you might like to know that this colloquy made it possible to present the President-in-Office of the Council with all the demands thought appropriate concerning the nature of the negotiations and the stage which they have reached. The President of the Council replied to us in full and, subject to the reservation that the negotiations are still in progress, I find his replies satisfactory. He pointed out some difficulties which undoubtedly exist but overall seemed sure that these negotiations would come to a conclusion which we would consider satisfactory. We also talked about the question of the transitional period and the President of the Council did not seem to have any objections to raise on this point.

I therefore feel that, taking account of the information given to us this morning and the full justifications presented by the President-in-Office of the Council yesterday in committee, we can satisfy the rapporteur's request and approve his report.

President. — I call Lord Reay to speak on behalf of the European Conservative Group.

Lord Reay. — Mr President, it was plainly desirable that the Commission should make proposals to enable the provisions of the existing Association to continue to be applicable between the expiry of the present Association and the adoption and ratification of the new one. But I should like to say at this stage that, for myself, I have never seen a copy of the Commission's proposals.

I, like others in this Parliament, I suppose, have been dependent for my knowledge of what they contain on the explanatory statement in Mr Deschamps' report and on what we have heard in committee. I understand that Parliament has, in fact, not yet received a copy of these proposals: no copy was obtainable here this morning. Whatever the explanation—and I do not see why it was not possible to anticipate, for this is not an urgent matter that has come up unexpectedly—this sort of failure makes our work very difficult.

The Commission proposed, as I understand it, that the existing Association should be extended in its effect until 30 June and that thereafter the provisions of the new Association Agreement, assuming that there will be a new Association Agreement, should apply notwithstanding the likelihood that it will not have been ratified by all Member States at that time. However, this anticipatory application of the provisions of the new Association Agreement will be subject to limitations in order to respect the authority of national parliaments, in particular insofar as expenditure under the European Development Fund is concerned. And this Mr Deschamps points out himself in paragraph 2.

These limitations will mean, as I see it, that none of the new signatories of the Association—and that means essentially the Commonwealth countries—will be able to benefit from the European Development Fund until ratification is completed. Now, on the last occasion—that is, between Yaoundé 1 and Yaoundé 2—I understand that it took some eighteen months before the last Member State ratified the new Association Agreement. The difference between now and then is that on that occasion, the beneficiaries under the new Association Agreements were the same as under the old agreements, and the countries that used to benefit under the previous Association Agreement were able to continue to do so through the interim period under disbursements that were made from the previous fund. But on this occasion, of course, the new ACP signatories would appear to have to wait some eighteen months before they would be entitled to receive any payments at all, because, of course, they would not be eligible under the present fund. I wonder if the Com-

missioner could confirm if this is the case and could say also if this would be true as well of loans made by the European Investment Bank.

Also, on the question of what will and what will not come under the anticipatory interim period, if I may call it that—and I am referring to the interim period that will start from 1 July—I should like to ask how the parliamentary institutions will be handled, or how it is proposed that they should be handled. Will it be possible for the Consultative Assembly, or whatever body will finally replace the Parliamentary Conference, if it meets before the last state has ratified the new Association, to meet as it may be provided for in the new Association, with the membership and attendance of the new signatories to the agreement, or will there simply be a meeting of the Parliamentary Conference as it now is? Mr Deschamps in his report is ambiguous on this point, for if you look at page 8, it says, and I quote, 'The parliamentary organs of the Association... must continue to function until the date of the effective entry into force of the new convention'; but the question is, what counts as the effective entry into force?

Finally, I should like to ask the Commissioner to confirm that the proposals fully cover the eventuality which is now almost upon us namely, that the new Association Agreement is not, in fact, either initialled or signed before the end of this year. That is to say, will the provisions of the present Association continue to apply to the benefit of the present existing Associated States, even if a new Association Agreement has not been concluded by the end of this month? Of course, all this depends on a new Association Agreement being arrived at. Plainly there cannot be anticipatory interim measures unless there is a new agreement to anticipate, and I hope that it will prove possible to conclude one within the near future, notwithstanding what has happened in Brussels this week.

President. — I call Mr Borschette.

Mr Borschette, member of the Commission of the European Communities. — (F) Mr President, it has been asked whether the former Associated States will benefit from the new fund in a different way to the new Associated States. I would reply to this question in the negative. They will be placed on a strictly equal footing, and no financial aid can be granted before ratification by the national parliaments in the new countries. As a matter of fact, in the past our former Associated States were all placed on a equal footing. However, it is likely that

Borschette

these former Associated States will benefit from certain residues of the old Yaoundé Fund in the period before the new fund comes into force.

I should like, however, to assure Lord Reay that the Commission's departments have already prepared projects both for the former associates and for the new associates, so that when the times comes, that is to say, when the parliaments in the new countries have given their ratification, the projects submitted by our ACP partners can be put into operation and can profit from the new fund.

This brings me finally to the problem of the parliamentary institutions. In this context, I should first of all like to appeal to all the Members of this Assembly to bring their influence to bear on their colleagues in the national parliaments so that ratification by these parliaments may not take the 18 months mentioned just now by Lord Reay but that they may come about within one year at the very most. It is a regrettable fact that in the past these ratifications were held up far too long in certain national parliaments. In the meantime, will there be unofficial meetings between the parliamentary institutions? I do not exclude the possibility, but I cannot state definitely that there will be. At any rate, Mr President, I feel that it is now up to all of you to take the necessary measures to bring about these meetings.

Finally, as to the question of whether this agreement will be signed before the end of the month, I would hope so, but I feel that it is highly unlikely. I would hope, however, that it will be possible to have it signed very soon thereafter.

President. — I put the motion for a resolution to the vote.

The resolution is adopted.¹

Thank you, Mr Borschette.

4. Directive on waste disposal

President. — The next item is consideration of the report drawn up by Mr Willi Müller on behalf of the Committee on Public Health and the Environment on the proposal from the Commission of the European Communities to the Council for a directive on waste disposal (Doc. 383/74).

I call Mr Willi Müller who has asked to present his report.

Mr Willi Müller, rapporteur. — (D) Mr President, ladies and gentlemen, in its programme of environmental action for the European Communities, one of the measures announced by the Commission was the directive which we are now called to debate on. Although the absence of further related proposals promised by the Commission is to be criticized, it must be admitted that in the view of your committee this directive reaffirms the readiness of the Commission to implement its programme without undue delay despite the difficulties which have cropped up — the energy crisis and the shortage of raw materials for instance — since the programme was submitted.

In its deliberations the Committee on Public Health and the Environment has perceived that the tenor of the directive adequately comprehends what needs to be done to improve the environment in the countries of the Community. While recognizing the aims of the proposal, deliberations in committee have led to considerable changes to the content of the proposal, as is clear from perusal of the present report.

I would like, however, to point out that the changes made are in no way out of place; rather, they reflect the sober desire to take account of the effects of the shortage of raw materials, to seek practical solutions and to guarantee the further evolution of measures in this field. In doing this the committee has made every effort to consider thoroughly all the relevant difficulties and problems of waste disposal. With your permission, Mr President, I would like to try once again to give a general impression of what is contained in the report.

The disposal of refuse, or the 'residue of our civilization', is a task marked by the diversity and volume of the refuse. Additional problems have been created by the shortage of raw material supplies.

As we all know refuse is often harmful and not infrequently dangerous.

Nevertheless it is usually disposed of in the environment in an irresponsible way. Unless its removal is properly organized the effects can be very serious, causing, for example:

- pollution and contamination of ground-water deposits, inland waters and coastal waters by seepage, surface contact or direct tipping of refuse in rivers, lakes, etc.
- pollution of the air in the form of smells, slow burning, dust and above all, gases emitted from inadequate incineration plants.
- restriction of land use by tipping or erosion.

¹ OJ No C 32 of 11. 2. 1975.

Müller

- impairment of landscapes through unauthorized tipping, random dropping of rubbish and waste heaps which do not fit in with the natural landscape features.

The real victims of such an unnatural development, liable to cause direct damage to health, to act as a breeding-ground for vermin and to release poisonous and dangerous substances are men, animals and also our plant life.

In too many cases inadequate resources have hitherto been devoted in the countries of the Community to combating existing irregularities in waste disposal. The number and capacity of the plants for harmless disposal lag far behind actual requirements. The cost of disposing of waste has increased so drastically that it cannot be met from the charges made by municipalities. Existing regulations are out of date or so full of gaps they can no longer be enforced. There is insufficient planning, publicity, forward-looking research and development and, not least, a lack of qualified experts. The funds available are, as I said before, inadequate.

Environmental policy plans must be based on the removal of abuses and their prevention in the future. Lasting success will only be guaranteed by organizing the waste sector in such a way as to limit the dangers to human beings and their environment and to exploit the apparently valueless residue of our affluent society.

We must turn away from the idea that waste is only to be disposed of and be prepared to accept and give priority to the waste sector.

Waste management—meaning the reduction of the volume and structure of waste—is our aim in organizing residue from consumers and producers. Production processes must be developed which will produce less waste and waste that is easier to deal with than hitherto. More products must be put on the market which can be used more than once and the re-use of such products should be greatly encouraged. Finally the process of recycling and the waste disposal which will continue to be required to some extent in the future must be given the necessary technical facilities such as adequate incinerators, improved techniques, proper transport facilities, increased controls and the classification and separate treatment of different kinds of waste as well as a more generous financial framework. The present directive is satisfactory on these points to a large extent. If some of its proposals are unspecific at least they do not stand in the way of steps in the right direction in the future.

It was for this reason that the Committee on Public Health and the Environment decided to divest the title of its modest reticence.

We request the Members of the of the European Parliament to agree to change the name of the directive on waste disposal, as it was called, to the 'directive on the waste sector'. This is more than just a change of wording.

The further major changes made by the committee to the text of the proposal, for which the committee requests the support of this House, can be summed up as follows.

The negative list in Article 2 of the Commission's proposal has been deleted, except for radioactive waste, which is subject to special provisions. It was agreed by the committee that the public must not be given the impression that the areas covered by such a negative list were to be overlooked in the face of a general consensus that regulations are needed. The committee therefore binds this amendment to the hope that the Commission will soon make proposals on these areas and submit them to Parliament.

The objectives proposed in Article 3 have been adjusted to take account of real requirements. The committee's version takes exhaustive account of all the elements considered by international organizations and associations to be necessary for progressive environmental policy. The aim of the amendment put forward by the committee to Article 10 is to compel responsible authorities to draw up plans for waste disposal and declare them to be binding where the disposal of particularly dangerous waste is concerned.

In this the committee has been motivated by the appalling results of Member States' lack of caution in dealing with, and transporting, such substances. The committee is of the opinion that in such cases nothing at all should be left to chance.

The amendment or rather combination of Articles 12 and 13 follows on what I said about the problem of the recycling and limitation of certain types of waste.

The motion for a resolution which this House has to vote on—and which was adopted unanimously in committee—represents the net result of the deliberations of the members of the Committee on Public Health and the Environment.

The report also takes account of the suggestions and observations put forward by the parliamentary committees asked for their opinions. May I as rapporteur state—in order to shorten the procedure and with your permission, Mr President—that I have no reservations on Amendments 1 to 4 tabled by Mr Jahn and Lord Bessborough.

Müller

If the European Parliament is able to give its agreement to the proposal for a directive on the waste sector in its thus amended form we shall have gone a long way towards meeting the hope cherished by the citizens of Europe for improvement of the quality of life.

It is up to the governments of the Member States and also—this I would like to emphasize—producers and consumers to turn the provisions offered by this directive to the best advantage for our environment.

Finally, I would like to thank all those who have helped, with their specialist knowledge and enthusiasm, to give the final polish and definitive form to this directive; the chairman and members of the Committee on Public Health and the Environment, the officials of the Secretariat of the Parliament and the representatives of the Commission.

I hereby put this report, Mr President, to the House for its approval and thank you for the patience and attention with which you have listened to my explanations.

President. — I call Mrs Fenner to speak on behalf of the European Conservative Group.

Mrs Fenner. — Mr President, I wish to speak very briefly in support of the report on the proposal from the Commission for this directive. It seems to me that this pursuit of the Commission's environmental policy is one which we can applaud in the European Parliament today, rather contrary to the view taken by us following a series of rather critical questions tabled by Mr Jahn at the last part-session, when in Parliament we expressed concern about the lack of progress in some areas of the Community's policy.

Although the proposal and the report before us today are concerned with waste disposal, it does seem to me that the most vital paragraphs in the motion for a resolution are paragraphs 4 and 5. Paragraph 4 draws attention among other things to the objectives of preventing wastage of raw materials, paragraph 5 to the recycling and re-using of waste, and it is significant that in its opinion the Committee on Economic and Monetary Affairs concentrated almost solely on the need to emphasize the vital necessity in this particular era of reclamation and recycling of our waste products.

I believe that, as a generation, we have been unthinking and profligate in our use of finite resources. I notice that there was a great deal of statistical evidence given in a very interesting debate in this Parliament on 22 April last year

following an oral question. Many Members pointed on that occasion to the present magnitude of waste in the Community, on the domestic side and in industry. It does seem to me that we have, as nations, in a booming era, subscribed to policies of planned obsolescence and that the energy crisis with which we are now confronted in the world, as well as the crisis of finite resources, has forced us to consider what we must now do in respect not only of protecting our own environment but also of protecting the generations which succeed us.

Over the whole range of raw materials at this time, we need to be concerned about our profligate use and our lack of intention to reclaim our waste. An American expert said last year that in the field of metals, for example, at the present levels of demand there are only 22 years of supply of silver left, 16 of mercury, 17 of lead and 20 of zinc, and although reclamation has achieved very good results, we still have a considerably long way to go in this respect.

Certainly in my own country, in Britain, the glass industry has achieved a high reclamation and recycling rate, but there do remain problems with regard to contamination of glass.

As with metals and with glass, so also we perpetrate such extravagance in the use of paper. It perhaps comes ill from a Member of this Parliament—when I see around us paper, paper, mountains of paper—to recollect that the consumer as well is very accustomed to a high and sophisticated standard of packaging.

Now, in the United Kingdom we use over 7,5 million tons of paper annually, and of this we only recover about half at the present time. When one considers the rate at which we are devouring the world's afforestation to provide this mountain of wood-pulp, it is little wonder that we coin such phrases as that used by Mr Lagorce in your last debate on this subject last year: 'it is a matter of transforming a society of squanderers'.

We have been, in many ways, disappointed by the progress made in attaining some of the objectives of the Community's environmental policy. I noted that in the debate last year, Mr Scarascia Mugnozza referred to the need to institute research into reclaiming and recycling waste. He referred to the Commission's request to the Joint Research Centre to initiate research into these matters. Now I know that research is very often a prolonged matter, but I would put it to the Members of Parliament and, indeed, to the representative of the Commission today, that we haven't time, and I would ask that this research be pursued with some sense of urgency, not only to protect the environ-

Fenner

mental quality of the Community but to help us in our desperate economic need, because we are not recycling our waste material. I would be very grateful to learn from the Commission that this research is being pursued more expeditiously than, regrettably, some of our other objectives in our environmental programme.

With those few reservations on the need for a greater demonstration of intention, I support the proposal for this directive from the Commission to the Council.

(Applause)

President. — I call Mr Hill.

Mr Hill. — Mr President, I only want to say a few words on this because I did take part in the debate on Mr Jahn's Document 132/74 on the disposal of oil waste in this Parliament last year, and I see that it is being requested by the committee that that document should be incorporated in this document so as to make a whole. I suppose every parliamentarian here has sat through many of these waste disposal and recycling debates—indeed in our House of Commons it has been a matter of much debate—and it does seem to me that we get little further than just debating what is so obvious to every one. The oil crisis perhaps will be a reason for expediting Mr Jahn's document on recycling of oil waste, and I would like to ask the Commission just how far this document has proceeded. It was adopted by the European Parliament in June last year, and I should have thought by this time it would be on the table of the Council of Ministers. It is certainly a matter of absolute necessity that the recycling of waste oil should take place as soon as possible.

Perhaps the most dangerous of the wastes to dispose of—and extremely difficult to recycle—are plastics. Any one who has taken a holiday on the eastern coast of Spain, where there is a proliferation of plastic bags and plastic cartons, will know that these things are virtually indestructible. I think they are the most dangerous of all the waste that mankind has created, if only because animals chew on them. Indeed in my part of the United Kingdom, in the New Forest, there are cases practically every week where deer chewed on plastic bags and, of course, suffocated as a result. A study has been taking place at Birmingham University, and I think much information could be obtained from there. Certainly when we ask for support for the development of new waste disposal techniques and technology, I think perhaps a word could be had with this particular university in the United Kingdom, which has taken such a great deal of trouble to go into this very matter.

I find that the document lacks a certain amount of force—if Mr Müller would not mind my saying this. Paragraph 10 says that the waste disposal plans to be drawn up by competent authorities should be made binding 'in certain cases'. I think if plans are drawn up they should be made binding. I think 'in certain cases' leaves far too many loopholes. If the competent authorities consider that there is money available, that the waste disposal centres exist and that people are still polluting the environment with this waste, then there are no cases, I would maintain, where people should be exempt.

So, Mr President, I welcome the fact that the problem is sufficiently large now for the European Parliament to recognize that it cannot be solved at local or regional levels and that a solution at Community level is absolutely indispensable. I think in this particular case we could certainly lead the Nine Member States' governments to harmony, and this would have an extremely beneficial effect for the people who live in the Community.

President. — I call Mr Jahn to speak on behalf of the Christian-Democratic Group.

Mr Jahn. — (D) Mr President, on behalf of the Christian-Democratic Group may I congratulate Mr Müller on his report. After some discussion we fully agree with the content of this proposal. We also agree to the change of title to 'directive on the waste sector'. Since Mr Müller accepts my three draft amendments, I need not speak to them.

President. — I call Mr Borschette.

Mr Borschette, member of the Commission of the European Communities. — (F) Mr President, I thank Mr Willi Müller for his report and I must begin by saying there is no fundamental difference of opinion between this report and the Commission's position.

The Commission cannot, however, promise to submit to the Council as soon as possible, as Parliament invites it to do in paragraph 7 of the motion for a resolution, proposals for directives on waste generated during the extraction of mineral resources and the working of quarries as well as agricultural wastes. The position is that these are priorities which are not included in the first environmental programme. I understand perfectly the rapporteur's enthusiasm, but this is such a vast field that we cannot deal with all the component elements of it at the same time.

Let us not forget that this directive is a framework directive. The directive on the disposal of

Borschette

waste oils recently adopted by the Council is the first implementing directive. It is not necessarily therefore, I feel, and it would not even be desirable, that that directive should be incorporated in the framework directive, as the resolution requests in paragraph 8. At best it would only be a case of restating an action which, fortunately, has already been undertaken.

The Commission accepts that the plans for waste disposal to be drawn up by the responsible bodies are of a restrictive character, dealing as they do only with the disposal of wastes of a particularly dangerous or difficult nature.

On the other hand, I must say quite frankly that it is difficult for the Commission to accept the amendments proposed by Parliament to Article 2. As a matter of fact, all the exclusions refer to areas which are already the subject of special provisions. On the other hand, it fully accepts the amendments proposed to Articles 3, 4 and 10, which only define more precisely the Commission's intentions.

Finally, the Commission prefers, though this does not seem to me to be very important, its own wording of Articles 12 and 13. It finds it difficult, in fact, to see any merit in the European Parliament's wording about informing the Commission of any draft regulations 'which encourage the limitation of certain types of waste'. This wording seems to it to be too general and not sufficiently restrictive.

With regard to research on the re-cycling of wastes, I am entirely in agreement with Mrs Fenner; this is a matter of great urgency. Indeed, the Commission was so convinced of this that it set up a special department for this matter within the directorate-general responsible. As well as that, I should tell you that the Commission is in contact with a certain number of university institutes that are studying this very problem.

Finally, Mr President, the rapporteur may have found the title of the Commission proposal too modest, but I can assure you that the Commission, like the rapporteur and Parliament itself, intends to take the matter very seriously.

President. — The general debate is closed.

We shall now consider the proposal for a directive before considering the motion for a resolution.

On Article 8 I have Amendment No 1 tabled by Mr Jahn and worded as follows:

'Article 8

This article to read as follows:

'The undertakings referred to in Article 6 shall be inspected at least every six months by the competent authority to ensure, in particular, that the conditions of the permit are being observed.'

The rapporteur has expressed a favourable opinion. I put this amendment to the vote.

Amendment No 1 is adopted.

On Article 9 I have Amendment No 2 tabled by Mr Jahn and worded as follows:

Article 9

This article to read as follows:

'Undertakings which dispose of their own waste and which collect waste shall be subject to supervision at least every six months by the competent authority.'

The rapporteur has expressed a favourable opinion. I put this amendment to the vote.

Amendment No 2 is adopted.

On Article 14 I have Amendment No 3 tabled by Mr Jahn and worded as follows:

Article 14

This article to read as follows:

'Each Member State shall draw up a report annually on waste disposal in its territory and shall forward it to the Commission who will then circulate it to the other Member States.'

The rapporteur has expressed a favourable opinion. I put this amendment to the vote.

Amendment No 3 is adopted.

I call Lord Bessborough.

Lord Bessborough. — Mr President, I regret that I was not myself able to be present when this report was discussed in committee, but since then I have had an opportunity of studying it, and I think it is quite an excellent piece of work on Mr Müller's part. But having considered it, I did think it worth tabling this very simple and fairly minor—but nonetheless I think important—amendment. The intention of paragraph 7 of the motion for a resolution is that the Community's policy on waste disposal should be extended as soon as possible to cover agricultural, mining and quarrying waste, all of which was specifically excluded in Article 2 from the scope of the present proposals. Certainly, we have no quarrel with the general intention of paragraph 7, but what we want to

Lord Bessborough

do is to ensure that we are not so carried away by our own enthusiasm for improving the environment that we act hastily and ineffectively. Therefore, the intention of the amendment is to ensure that, before any specific proposals for the disposal of waste from mines and quarries are formulated, studies should be carried out on the possible methods of disposing of such waste. Unless such studies are carried out, we shall find that we have simply set up a complex administrative machine with little or no benefit to the environment. There is obviously, Mr President, a great difference between the methods involved in the disposal of mining and quarrying waste and those involved in disposing of agricultural waste.

Much mining and quarrying waste material is inert or non-toxic, and much of it is deposited within or on land adjacent to the mine or quarry from which it originated. In the United Kingdom, we have gone some way towards removing and landscaping waste from mining and quarrying operations, but much, as the Aberfan disaster will remind us, still needs to be done. It is in order that the Community policy on mining and quarrying waste may be as effective as possible that we propose this simple amendment, and I am very glad that the rapporteur is prepared to accept it.

President. — We shall now consider the motion for a resolution.

On the preamble and paragraphs 1 to 6 I have no amendments or speakers listed.

I put these texts to the vote.

The preamble and paragraphs 1 to 6 are adopted.

On paragraph 7 I have Amendment No 4 tabled by Lord Bessborough on behalf of the European Conservative Group and worded as follows:

Paragraph 7

In this paragraph, insert after the words

'as soon as possible'

the following text:

'after the necessary studies have been made'.

The rapporteur has expressed a favourable opinion. I put this amendment to the vote.

Amendment No 4 is adopted.

I put to the vote paragraph 7 so amended.

Paragraph 7 is adopted.

On paragraphs 8 to 15 I have no amendments or speakers listed.

I put these texts to the vote.

Paragraphs 8 to 15 are adopted.

I put to the vote the motion for a resolution as a whole, incorporating the various amendments that have been adopted.

The resolution, so amended, is adopted.¹

Thank you Mr Borschette.

5. Oral Question with debate: Participation by Community migrant workers in regional and local elections in their host countries

President. — The next item is Oral Question with debate by Mr Della Briotta, Mr Walkhoff, Mr Concas, Mr Bermiani, Mr Corona and Mr Glinne to the Commission of the European Communities on participation by Community migrant workers in regional and local elections in their host countries (Doc. 419/74).

It is worded as follows:

Can the Commission confirm the truth of recent rumours to the effect that when considering measures to be taken in favour of Community migrant workers, it rejected by a majority vote the very principle of their taking part in regional and local elections in their host countries?

If this is the case, how can the Commission justify this very serious decision, which will block one of the few possible practical steps towards European unity and nullify the initiatives now being taken, for instance, in the Belgian and Italian parliaments where draft laws for granting limited political rights to citizens of other Member States are shortly to be debated?

I call Mr Della Briotta who has asked to speak to the question.

Mr Della Briotta. — (I) Mr President, ladies and gentlemen, our question comes at a time when the question of migrant workers is also a source of concern due to the economic crisis afflicting the Community host countries as well as the countries of origin.

We note with concern that, as unemployment increases and the number of vacancies falls, the laws and regulations governing renewal of work permits and residence are being more rigidly applied in many countries.

¹ OJ No C 32 of 11. 2. 1975.

Della Briotta

In other words, our fears are being realized and the much vaunted free movement of labour is becoming nothing more than a hollow phrase in this our Europe which seems to be more concerned about goods than men.

It is certainly difficult to back up this argument today. Though we all have the immediate concern of the unfavourable economic situation, we hoped our question would establish whether the Commission intends honouring its undertakings to Parliament that it would encourage the social integration of migrant workers or whether it was going to make flowery speeches from time to time, leaving these workers the victims of an economic system which does not allow them to take part in making decisions which concern them.

Rumour has it that last November, in considering measures to assist migrant workers, the Commission rejected by a majority the principle of participation by migrant workers in regional or local elections. Now we make this demand once more. I think there may be truth in this rumour because the Commission's promises do not bind it to either dates or precise concessions.

The delay in discussing this question may make it rather less topical but maybe it will serve the purpose of reminding the Commission that it must honour its undertakings. I therefore hope that it will take steps to banish the rumours which were circulating at the time and affirm its resolve to take another step towards European unity.

If it does this, today's debate will have drawn attention back to the lot of several million European citizens who, as a result of social and economic imbalances resulting from historical causes, the lack of natural resources on their national territory or, more simply, the actions of the governing classes, have been forced to leave their own country and emigrate in search of employment and of that human dignity which should not be left to the generosity of those who employ them.

The document which the Commission presented to the Council on 18 December does not reassure us. It talks about a contradiction between the goals of political union and the fact that migrants cannot vote. This is entirely obvious but the document goes no further than promising that the Commission will make proposals which would enable the migrants to defend their interests at a local level when their working conditions and living conditions were directly affected. The document then sets the goal of complete participation by the migrants in local elections after an initial period, ending in 1980

at the latest during which the use of local consultative committees, already widespread in certain countries such as Belgium and Luxembourg, would be extended.

But this, Mr President, is a very small commitment and the Commission really seems to be using it as an alibi since no precise dates are given.

Today, Mr President, Europe was expecting rather more. Amongst the millions of European citizens who have been forced to abandon their own country, since the end of the last inter-necine war, there are many who have settled in their host country and brought up their children there. Sometimes their children do not even speak their parent's native language, having completely accepted the language of the host country, and often they have a good amount of money set aside there. They have moved from employment as dependent workers to established and respected activities in the secondary and tertiary sectors. There is often very little to distinguish them from their fellow workers, citizens of the host country. They have acquired the mentality of the latter and speak its language, though a few errors may remain, and share in the trade union struggles—in other words, they are European citizens.

Despite all this, they continue to live as aliens in a foreign country. They are forbidden to exercise their rights as citizens through the democratic vote, even in local elections. In other words, they are entirely dependent on the goodwill of the various organizations or associations which have emerged over recent years in an effort to safeguard the rights of migrant workers and integrate them into the complete social environment in which they live. This applies to all questions: building a new school, a crèche or an old peoples' home, assistance to handicapped people, improvement of public lighting or simply to try to get the local authorities to act more promptly than usual.

From a political and legal point of view, they are aliens. We could of course take into account proletariat solidarity, trade union action and assistance from the parties, particularly those which represent working class interests, all of which are largely positive factors for which I, representing a socialist party in a labour-exporting country, would like to thank my socialist colleagues in the host countries and all the leaders of the other parties. But this assistance and solidarity must be backed up by political and administrative rules and regulations.

It might seem ironic to remind you today of the Boston tea party nearly 200 years ago, whose

Della Briotta

slogan was 'no taxation without representation'. But this event had considerable consequences for world history, consequences which were probably, taken overall, favourable. This, ladies and gentlemen, is the crux of the matter—millions of European citizens, who are cooperating in and making a valuable contribution to our Europe, have absolutely no say, absolutely no legal powers, in running their new society, to whose growth they are contributing.

Once again, for a good example, we have to look outside the Community. In Sweden, they have done without the empty promises and the dry pompous language in which our Commission outlines its vague goals for 1980 and almost 300 000 foreign electors over 18 years old are to participate in the 1976 local elections. Of course, I am fully aware of the probable consequences of a similar decision in the Community Member States which have a lot of migration. These problems are enormous but we must be aware of them.

I therefore think that, for an initial period at least, this right should be granted to citizens of Community countries with relatively similar political structures. There could be certain length of residence requirements in order to enable all electors to be generally well informed and know the host country's laws and to ensure that the new electors would use their votes reasonably.

The bills submitted in various countries, such as Belgium, by Mr Glinne and others, are to this effect and draw on the experience of local consultative committees which have now been established for some years.

The important thing is to get moving quickly because, in all the industrial countries of Europe which have made use of foreign manpower in the last 30 years, a whole generation of rootless future citizens and electors is growing up without a chance to exercise democratic responsibility. Europe cannot satisfy their demands simply by giving them a passport.

Will the Commission be able to act as a driving force, integrating the peoples in such a way that the migrant workers are not left out? That is the question.

After looking over the decisions which have been taken, I do not feel very optimistic. I compared the original proposals put forward by Mr Hillery and those which the Commission eventually discussed. Under the first proposal, during the first half of 1975 the system of consultative committees was to be extended to include migrant workers, the proposal for the right to local votes was to have been presented at the end of 1975 and the Commission was to

have submitted the charter for migrant workers by 31 March 1975.

The text of 18 December to which I refer is certainly not lacking in fine promises and glib phrases in flowery language, but what on earth are the migrant workers supposed to do with such a statement?

Mr President, ladies and gentlemen, the Commission should not be allowed to break its promises. There are certainly difficulties and I have no wish to hide them but we must take account of the possible consequences of an angry outburst by several million citizens who have been shuffled from one country to another without ever having the right to take part in political and administrative life.

We are sitting on dynamite and the resulting damage could be as great as that caused by the current economic and energy crisis.

(Applause)

President. — I call Mr Borschette.

Mr Borschette, member of the Commission of the European Communities. — (F) Mr President, I should like first of all to say that I am in agreement with a certain number of the general principles that have been enunciated in this matter and even with the indignation that has just been expressed by Mr Della Briotta.

I should like, however, to begin by questioning the data upon which he bases his case, because even though they have been obtained from a source which is generally a well-informed one, they are inaccurate.

We have got to face up to the fact that, on the one hand, these data are not accurate and, on the other hand, that a Commission proposal does exist and a Commission draft programme, which is not merely a package of highflown words. I should like to begin by stressing that, if there is a goal to be attained by 1980, that does not mean that this goal cannot be reached before that date. It certainly does not mean that the Commission must wait for 1980 to arrive before making proposals on this matter. No, the Commission intends to submit its proposals as quickly as possible, but we must not forget that a Council decision is also required and that the provisions enacted by the Council must then be transposed into national and local legislation. Thus, even if this date of 1980 is perhaps not over-ambitious, it still seems to me to be a fairly realistic one. We must remember, by the way, that we are not talking here merely of a superficial participation but, and I quote the text of the working programme, of a 'full participation in local elections in accordance with

Borschette

conditions that have yet to be more precisely defined'.

A further point that I would like to make is that this programme states that in the meantime Member States should, as of now, be taking temporary measures to encourage participation by migrants in municipal affairs by setting up a system of consultative bodies which will give migrants a real influence on the decisions being taken at this level.

Therefore, I cannot agree at all that these are merely highflown words on the part of the Commission and I would ask this Assembly to judge the Commission not only on its work programme which is before the Council at the present time but also on the concrete proposals which it is about to take from this work programme and elaborate and which will certainly see the light of day well before 1980.

I should like to add that we must interpret the term 'local' in its widest sense, as Mr Scarascia Mugnozza has already explained. That is all I can say about this matter today.

President. — I call Lady Elles to speak on behalf of the European Conservative Group.

Lady Elles. — Mr President, I am very grateful to Mr Della Briotta for raising this very important question. Unfortunately, I think we are all bound by the clock and nobody wants to discuss such an important problem at great length this morning: nevertheless, I think, with Mr Della Briotta, that this subject requires much deeper and longer discussion than will be available to us now.

We are also grateful for the reply of the Commissioner. Nevertheless, we have not seen the programme of the Commission yet, and I am not sure that we can entirely accept what I gather has been said in reply by the Commissioner so far, because I think there are a great many qualifications that must be made with regard to making participation in local elections available to non-nationals. Therefore, I would just like to enumerate certain points very briefly without going into them in detail.

First of all, Mr President, in the Oral Question with debate there is reference to migrant workers. I think we must ask who is meant by 'migrant workers'. Does the term cover all EEC nationals working in a country not their own? Mr Della Briotta—quite rightly, and I understand it—made reference to the working class, but there are a good many people who work in the Community and I would not say that they all necessarily come within his understand-

ing of the term 'working class.' We start with the Commission. There are several thousand non-nationals working in Brussels. Would they also have the right to take part in local elections, or does the term 'migrant worker' merely get confined to those with a certain type of work, with a certain type of income, with a certain origin or nationality or with, indeed, a certain way of coming into the host country? I think we would want to be clear as to what the term 'migrant worker' actually means, because otherwise you would be having gross discrimination against all those who work very, very hard and who are, perhaps, not members of a trade union—or whatever the qualification Mr Della Briotta wishes to impose on a person before he votes in a country which is not his own.

Secondly, there appears to be no legal basis for granting voting rights in any nation at the moment—subject, of course to any draft directives that may come from the Commission. The freedom of establishment under the Treaties is concerned with economic benefits, not with political and civil rights, and one of the few remaining privileges left to a citizen of any country is the right to vote and stand for election in his own country. Indeed, the fundamental principle of democracy—if it is to be maintained—of 'one man, one vote' would entail certain changes in national legislation. I may be wrong, and perhaps I am subject to confirmation on this, but the proposal would seem to be contrary to this principle. Let us take the case of Italy, one of the countries mentioned: the Italian migrant does not, as I understand it, automatically lose his right to vote in his own country; he is indeed encouraged, as far as I know, and always has been, to return to vote in his own country. The proposal, if implemented as worded here, would mean that the migrant worker would be entitled to two votes, one at home and one in the host country, which is not in accordance with the principles of democracy as we know them.

A vote also implies the right to be elected: another democratic principle is the duty to protect and promote the interests and express the will of the people who elect you, and it must therefore be based, to some extent, on mutual interest and a reciprocity of obligations and duties. I think this presents a great difficulty in the case of migrant workers who come for only a short period of time into a country. When they return, their vote will be irrelevant to them and yet affect the citizens who remain.

Then there is the problem of demographic imbalance, where you get a conglomeration—perforce, by the nature of things—of certain nationals in one area who might well outvote the citizens of that particular area. That seems

Lady Elles

to me again contrary to the principles of democracy as we know them.

We shall, again, have the problem of other migrant workers from nationalities and countries outside the Community. Here you are going to have a great feeling of discontent, quite rightly based on the discriminatory fact that the migrant workers from, say, Italy have the vote while the migrant workers from, say, Yugoslavia do not. This will, I think, lead to many complications.

Mr President, as long as the structure of the Community is based on nations and represented at all levels by nations, I think it is right that elections at all levels should be confined to nationals of the country concerned. This, indeed, is in accordance with Article 25 of the International Covenant on Civil and Political Rights, which I am sure everybody is conversant with and which begins: 'Every citizen shall have the right and opportunity... to vote in his own country and take part in elections.'

Nevertheless, Mr President, I do not want to appear too conservative or too traditional or too—how shall I put it?—anxious to block any process which will lead towards the integration of Europe, because I think we all have the same object in view: it is the way we go about it. There may eventually be certain qualifications—principally of residence, of the intention to remain, of the intention to show allegiance. Of course, Mr Della Briotta's argument about financial contributions and paying taxes does not apply in the case of nationals of the Community, because they take their social benefits with them whichever Member State they go to, so that the contributions they have made towards social benefits are not lost, even if they move away. And therefore Mr President, as long as we are based on national elements, I should like to see a very much easier procedure for non-nationals to acquire the nationality of the host country: in this way, discrimination would be removed and the migrant worker, whoever he might be, would feel he was able to play his full role in the development of the place in which he lived.

President. — I call Mr Glinne to speak on behalf of the Socialist Group.

Mr Glinne. — (*F*) Mr President, ladies and gentlemen, it is clear that there are two possible approaches to this problem of internal migration within the EEC.

The first approach is essentially a social one, the second is set within the framework of European political union. The first approach

aims at improving the conditions of migrant workers, while the second brings us face to face with the following fundamental question: are we prepared to establish the principle that natives of EEC Member States, whatever their professional position and whether, for example, they are members of the working class or of the liberal professions, must enjoy civil rights if they live in a country other than their country of origin? We are deliberately coming out in favour of the second approach. It is well also to recall that the recent Paris Summit has laid down certain guidelines in this matter. The Paris Summit, obviously setting forth the minimum that needs to be done to work towards a future European citizenship, decided that a working party should be set up to study the possibility of arranging for a passport union. In a short time from now, a report will be sent back to the governments and I believe that 31 December 1976 has been envisaged as a suitable date. The harmonization of national legislations with regard to foreigners has also been envisaged, as well as the abolition of passport controls within the Community. This is a limited, but nonetheless interesting and positive, approach to the problem of the rights appertaining to European citizenship.

The setting up of a further working party, which concerns us directly in the debate we are now having, has been decided upon. It will be given the task of studying the conditions and the timelimits for, I quote the Summit communiqué, 'granting to citizens of the nine Member States special rights as members of the Community'.

Well, this is exactly what we are talking about. What are we prepared to do to grant a minimum of political rights to EEC nationals having their normal place of residence in a country other than their country of origin? Mr President, you know that proposals have been made on this matter in certain national parliaments, of which my own is one. But it is no help that proposals, however farseeing or constructive they may be, should be made only at the level of this or that national parliament, because if you confine consideration of this problem to the national level, you multiply enormously the political and constitutional difficulties. It is only by arranging for mutual recognition of new political rights at the level of the Community as a whole that you can avoid multiplying difficulties of a political and constitutional nature.

I cannot help calling attention, and particularly the Commission's attention, to the fact that, as far back as 1972, at the first Paris Summit in October of that year, two Community Heads of Government, viz., Prime Minister Eyskens, on

Glinne

behalf of Belgium, and Mr Andreotti, the Italian Prime Minister, proposed that all nationals of EEC countries, irrespective of where they resided but subject to certain conditions with regard to the length of time they had been residing in that place, should be granted a minimum of political participation and should have the right to take part in local elections and be eligible to stand as candidates in these elections. As representative of the Belgian government at certain meetings of the Council of Ministers for Social Affairs, I myself had the opportunity to recall on two occasions—unfortunately to no avail—this guideline which was set forth by the Paris Summit of October 1972, even though no firm decision was taken on the matter. We now find ourselves faced with certain anomalies, anomalies at the level of certain of our Member States and anomalies in the progress being made by certain Community institutions in the matter of the political rights of all our citizens. I shall quote just one example, Mr President: nationals of the Commonwealth are permitted immediately upon their arrival in the United Kingdom to exercise all the rights appertaining to British nationality, solely by reason of the fact that they are 'Commonwealth citizens'.

Why is it not possible to arrange for nationals of EEC countries to be given the same advantages at local level, and I stress at local level, certainly, that is, if we wish to indicate that belonging to the EEC is just as important politically as having one's origin in a member state of the Commonwealth? There is an anomaly here, and all I am doing is to quote a state of affairs which is perfectly obvious; it should be quite clear that I am making no accusations whatsoever.

As far as we are concerned, that is to say, the Community institutions, we agreed barely a few days ago that the first Sunday of May, 1978, should be fixed as the date for election to our European Parliament by direct universal suffrage. But, Mr President, we cannot allow our Member States to legislate on the manner in which this election on the first Sunday of May, 1978, will be carried out in the respective Member States, while the Commission stands idly by.

It is essential that we should be already thinking about incorporating into that electorate, which will be giving its decision on that first Sunday of May, 1978, those EEC citizens residing somewhere other than in their country of origin. As far as this direct election to the European Parliament and recognition of civil rights at local level in our Member States are concerned, I feel that progress in these two matters should

go hand in hand, that they should both be studied in connection with each other and that they should both be achieved at more or less the same time.

Mr President, We hope that the Commission will take pains not to confine its thinking on this matter to the area of social progress and we urge it to do its utmost to achieve these rights for migrant workers, in the interests of the political union which must bind us all together.

(Applause)

President. — I call Lord St. Oswald.

Lord St. Oswald. — Mr President, I rise very briefly indeed to address through you Mr Della Briotta—without the faintest hint of reproof, needless to say, for a man whom I have every reason to respect, but in one passage of his speech the enthusiasm of his own political ideology led him to suggest by a fairly strong innuendo that it was only the socialist parties and their supporters who made welcome and gave good treatment to migrant workers. This is not true. I have seen instances of understanding and sensitivity and instances of insensitivity and even hostility shown by both the main parties in my own country and their supporters.

I should say, perhaps a little naughtily, that the welcome given to the Italian workers in my own part of England, in South Yorkshire, when they came to work in the coal mines of South Yorkshire, after the war, was not exactly cordial, either at the hands of their fellow-workers or the unions, but I mention this in order to add that this attitude is rare and diminishing. I find that in general the responsibilities of the host country and the importance of immigrant workers are taken seriously. They are made warmly welcome and long may this tendency continue! I am sure that it has, in fact, been assisted by the words of Mr Della Briotta today.

President. — I call Mr Pisoni.

Mr Pisoni. — (I) Mr President, I shall also be fairly brief. I should like to thank Mr Della Briotta who has given us the chance to return to a subject of extreme interest to us, particularly since the Commission has finally provided the relevant action programme. Though this document should have been presented by March 1974, it only saw the light on 18 December 1974. We are, of course, delighted to see it at last complete but remain somewhat sceptical about the times involved and would not like the delay

Pisoni

in presenting it to recur in implementing the measures which it proposes. On the contrary, we hope that the delay will be made good as soon as possible so that we can move on more rapidly than in the past.

There are many problems concerning migrant workers and today they are more pressing than ever before. The importance of the problem which we are facing today, inherent in the principle of participation in the life of local communities, stems from this point. But there are other equally important matters: the daily life of these workers, their working conditions and the continual threat of unemployment hanging, like the sword of Damocles, over their salaries and stability in countries in which they have settled. For this reason we too have submitted an oral question with debate, which has been placed on the agenda for the next parliamentary part-session. In this question we ask if nothing can be done on the European level to counteract the current recession.

But, to stick to the point, the Commission's proposal is on the whole acceptable to us. At least it is acceptable as a declaration of intent or resolve but less promising if considered from the point of view of dates and practical action. I agree with Mr Borschette that there are many deadlines which we, the Commission and the Council must all adhere to. The states must then issue implementing provisions and local bodies take the necessary action. The chain of events is therefore rather long but I still regard 1980 as a pessimistic deadline, particularly if we bear the urgency of the goal in mind. We would like citizens to be citizens wherever they might be living. We cannot countenance citizens who work, carry on their daily life and live in a certain context being debarred from making themselves heard at that level or taking part in allocating services which they will inevitably use. If a man pays taxes he is, by definition, involved in the life of his local community and contributes to creating and financing the services which it offers him. So we cannot regard these migrant workers as mere tools or even as people who have nothing useful to say at this level. It is obvious that the request made in the text under consideration also runs into difficulties, for instance, are migrant workers just to have the right to vote or should they also have the right to stand for election? This point must be cleared up but I do not want to go into it now. Our national laws cover a whole series of circumstances. For instance, a person who moves from one borough to another has the right to vote in only one of them but in the case of migrant workers it might almost seem to be right to allow them to vote in two boroughs.

However, the right to vote is usually held in only one borough. This point must therefore be cleared up. I personally feel that when the move is not a temporary one, for a fixed period, it should be possible to find appropriate solutions which will enable the people involved to feel that, in the full sense of the word, they are citizens of the societies in which they settle. This is not just a question of social reality but also of political participation in the changes in their new society; it involves permitting the citizen to exercise all his rightful powers and therefore amounts to making him a political force within European unity. I feel that anyone who ends up living in a community on a stable basis should take part in its life whether he is Turkish, Slav, Algerian or Moroccan—his race should be of no importance. It is obviously, however, not possible to make it possible for workers with fixed-term contracts to exercise their rights. It seems unlikely that citizens who move about with short-term contracts, whose residence is accordingly only for a certain time, would be given many rights because their participation is extremely limited. However, when migration takes other forms and residence is set up more or less permanently over a certain length of time, there should be no problems in giving both the right to vote and the right to stand for election to any citizen who is in a particular community at the moment of regional or local elections.

I also think that it will have relatively little importance insofar as local communities are concerned whether or not the person involved comes from a country of the European Communities.

However, I shall not pursue these points further since they involve going into too much detail such as whether we should emphasize social or political privileges or how we define a migrant worker—these questions will have to be gone into thoroughly and clarified in Committee.

I should like to conclude by saying that we hope that the migrant worker will be able to participate as widely as possible in the life of the community in which he resides. We cannot countenance some citizens remaining forever alien therefore outside the choice of policies which have hitherto been implemented over their heads. There is absolutely no danger that they will threaten the stability of local structures or create majorities which will jeopardize local political forces—I am sure that such fears are altogether groundless. It seems to me that citizens who work, live their daily life, use public services and live as all other citizens ought to have the right to express their ideas and both cast votes and stand for election.

President. — I call Sir Douglas Dodds-Parker.

Sir Douglas Dodds-Parker. — Mr President, I should like to support what my colleague, Lord St. Oswald, said about the Italian workers in relation to my part of the world too, except for the fact that I found they were very popular with many of the ladies—if that's any consolation to Mr Della Briotta, who has, I think, raised this very important issue. It is not only of considerable long-term importance but it is of considerable political difficulty.

Might I, without arrogance, suggest that the Commission look—it probably has done so already—at the 1947 Act in the United Kingdom, following what Mr Glinne said especially about the Commonwealth, because we have in the United Kingdom at the moment some million Irish and a million Commonwealth citizens, who, even if they are only visiting, can get inscribed in the register of voters on the day of registration—usually in late October—and can then vote in the United Kingdom elections—and in their home country, of course, as well. Indeed, many of my best supporters in the last 30 years have had this dual franchise, and I would regret it myself if they had been denied the ability to work politically in the United Kingdom. It really works in practice quite easily, because everybody gets registered on this day late in October; but it is an offence to vote if you are not a citizen of the United Kingdom, of the Republic of Ireland, or of certain Commonwealth countries as they were in the Empire in 1947. On the other hand, if you are an American married to a United Kingdom citizen, you cannot, if you keep your American citizenship, vote either in the United Kingdom or in the United States, but you have to pay taxes at both ends; and whatever Mr Della Briotta says about Boston tea-parties, this seems to me to be vitiating the principle of 'no taxation without representation'.

In the United Kingdom we may now have several categories of citizenship: the United Kingdom citizen; then the Commonwealth and Irish citizens in a second category; the Community citizens might be in the third; the associates of the Community might be in a fourth; and the non-Community and non-Commonwealth would be in a fifth category. It seems that this is going rather too far, but it is, as I said, a problem of great difficulty and must be tackled, I believe, steadily and slowly. In my own country it's all very paradoxical, as so many things are, but somehow it works for these many people who work and live, even if only temporarily, in the United Kingdom, and I hope the Commission will be able to follow this up over the years ahead to see that those who work

within the Community have some political as well as social rights.

President. — I call Mr Della Briotta.

Mr Della Briotta. — (I) Mr President, the Commissioner's reply did not satisfy me. In fact, to be quite frank, I find it rather disappointing because he said no more than what we know already. He denied the information on which the question tabled by me and other colleagues from my group was founded but could hardly deny the dates to which I referred. In other words, the deadlines have been postponed and the document of 18 December makes no further mention of the precise undertakings made in the past. We hope that at a later date the Commission will uphold its commitments and open discussions. Then and only then will we judge it on this question. I should not like to leave other colleagues who have spoken without reply, especially since this may prevent misunderstandings. Lady Elles expressed doubts on the meaning of the expression 'migrant worker'. But I feel that over the last fifty years even the socialist party has ceased to be as proletarian as it was at the end of the 19th century. So it seems a bit naive to wonder whether this expression is just meant to cover working class people. Such an attitude is likely to cause confusion which we should dispel even before it arises. As far as I am concerned, migrant workers do not include those who go to spend their holidays in St Moritz or other Swiss ski resorts.

The latter are however generally welcomed in a much more pleasant fashion than migrant workers. Farah Diba does not have to undergo a medical examination on arrival in Switzerland whereas a migrant worker who went to work there would not only have to have a medical examination but suffer from the whole range of petty discrimination and humiliating annoyances. Therefore I do not think that there can be any doubt about this point.

It has been pointed out that these workers do not lose the right to vote in their home countries. But what is the point of this when a worker has been living abroad with his family and children for the last 20 years and no longer has either a house or his residence in his home country? It is suggested that they should be given citizenship.

I should really like to see all the millions of migrant workers in Great Britain or Germany asking for citizenship!

Lady Elles knows Italian literature so I am sure she knows the story about the man condemned

Della Briotta

to die who, on being asked to make a last wish, asked to be hung from the tree of his choice. However, obviously, he chose a tree which could not be found and so was never hung. It is possible in any case to raise difficulties in order to avoid tackling the problem. The urge to change everything is equally dangerous because you tend to end up changing nothing. Italian literature comes to my aid once again, and if Lady Elles does not know this book I will gladly give it to her. We must, then, make reasonable proposals. The reasonable answer is to demand a minimum period of residence and require that the process of integration should already have begun because we do not wish difficulties to arise in the host countries. So, we want reasonable proposals and no further delay—now 1980 is supposed to be the date but probably when we reach it someone will say that the time is not yet come.

In the story which I referred to, the non-existent tree was of great benefit to the condemned man but such red herrings do not help migrant workers who, if this goes on will continue to be rootless inhabitants of this great political Europe which Mr Glinne talks about with such enthusiasm, which we all talk about at every parliamentary part-session, but which seems an extremely remote possibility.

President. — I call Mr Borschette.

Mr Borschette, member of the Commission of the European Communities. — (F) Mr President, I shall be very brief.

First of all, my reply dealt only with social involvement and not with political involvement, the problem which Mr Glinne so carefully and skilfully analysed, for the reason that the authors of the question dealt only with social involvement.

On the other hand, I stress once again that there is a Commission action programme which has been put before the Member States. This does not mean, however, that the Commission will, in the very near future, be making proposals both on provisional participation and on a final form of participation.

Furthermore, this entire debate proves that we need carefully drawn up documents to enable us to have a really thorough and wide-ranging debate on this matter and also that this problem, far from being a simple one, has many sides to it. I refer, for example, to the question of residence and length of residence, which is

important both for social involvement and for political involvement.

As far as this latter question is concerned, the time will come when we shall be obliged, whether we like it or not, to discuss this matter and to draw conclusions, and we shall be forced to do so, firstly by the fact of the passport union envisaged by the communiqué from the Paris Summit, **secondly** by the fact of political union and thirdly by the fact of European Union.

I feel, therefore, that that Commission will soon be obliged to draw up proposals which will go beyond the social field and beyond local and regional problems and take in the Community as a whole.

President. — I have no motion for a resolution on this debate.

The debate is closed.

Thank you, Mr Borschette.

6. Dates for next part-session

President. — There are no other items on the agenda.

The enlarged Bureau proposes that our next part-session be held in Strasbourg from 17 to 21 February 1975.

Are there any objections?

That is agreed.

7. Adjournment of the session

President. — I declare the session of the European Parliament adjourned.

8. Approval of minutes

President. — Rule 17(2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting which were written during the debates.

Are there any comments?

The minutes of proceedings are approved.

The sitting is closed.

(The sitting was closed at 11.25 a.m.)

